ASX ANNOUNCEMENT

14 June 2022

Form 10 First Amendment and amendment to March 2022 Quarterly Activities Report and Appendix 4C

Life360, Inc. (Life360 or the Company) (ASX: 360) announced today that it has filed an amendment to its Form 10 Registration Statement (originally filed on 26 April, 2022), with the U.S. Securities and Exchange Commission (SEC) and the Australian Securities Exchange (ASX). As a result, the Company has also amended the March 2022 Quarterly Activities Report and Appendix 4C (dated 27 April, 2022), and an amended Appendix 4C is attached to this release. In addition, Life360 reaffirms the CY22 full year guidance contained in the AGM Presentation released to the ASX on 20 May, 2022.

CY22 Guidance

The Company reaffirms the CY22 full year guidance contained in the AGM Presentation released to the ASX on 20 May, 2022:

- Core Life360 subscription revenue (not including Tile and Jiobit) growth in excess of 50%;
- Consolidated revenue of US$245 - 275 million for subscription, hardware and indirect revenue;
- Consolidated Non-GAAP Underlying EBITDA loss (excluding Stock Based Compensation and non-recurring items)* in the range of US$(32)-(38) million. This includes efficiencies flowing in the second half from the Tile integration and restructuring.

Life360 expects to finish CY22 with cash and cash equivalents in the range of US$65-70 million. This includes financing related cash outflows of approximately US$8 million.

This is a strong capital position to fund future growth. In addition, as demonstrated in the COVID-19 period in CY20, Life360 has a flexible expense model, with discretionary marketing spend of approximately US$44 million currently projected in the period from July 2022 to December 2023. While we are currently committed to driving growth, this provides an additional buffer to support the balance sheet.

We expect Life360 to be on a trajectory to consistently positive Operating Cash Flow by late CY23, such that we record positive operating cashflow for CY24.

*excludes an accounting charge for integration costs of approximately US$3 million which will be reflected in CY22 Q2 and Q3 results as a one-time item.

Form 10 First Amendment

As noted in the ASX release dated 27 April 2022, Section 12(g) of the Securities and Exchange Act (Exchange Act) requires an issuer with total assets in excess of US$10 million and more than 2,000 holders of record on the last day of its most recent fiscal year to register its securities with the SEC within 120 days of the fiscal year. Life360 exceeded the holder thresholds as of December 31, 2021 primarily due to equity issuances of common stock and CDIs in connection with the Tile and Jiobit acquisitions, and is therefore required under US law to file the Form 10.

The Form 10 is not being used to conduct a U.S. initial public offering (IPO) or U.S. stock exchange listing and does not raise any additional capital for Life360. The Company's previously announced plans for a US dual listing process via IPO have ceased due to the change in market conditions since the process commenced in Q4 2021. The Company maintains a very strong capital position, with more than US$98 million of cash and cash equivalents on the balance sheet as at March 31, 2022.

The Form 10 Registration Statement will become effective (i) automatically by lapse of time sixty (60) days following the initial filing of the Form 10 Registration Statement or (ii) within such shorter period as the SEC may direct, at which point the Company will become a U.S. "public reporting company," subject to the periodic reporting requirements of the Exchange Act, including the requirements to file annual reports on Form 10-K, quarterly reports on Form 10-Q and periodic reports on Form 8-K and also subject to the SEC's proxy statement and tender offer rules. Directors, officers and 10% holders of Life360 will be subject to Section 16 of the Exchange Act and 5% holders of Life360 will be subject to beneficial ownership reporting under Section 13(d) and 13(g) of the Exchange Act.

The amendment to the Form 10 has been lodged today with the ASX, following the filing with the SEC, along with the Company's response to the SEC Comment letter which requested certain additional disclosures and clarifications within the Form 10 itself. This follows the standard process for SEC review of such filings.

The Company expects the Form 10 Registration Statement to become effective in June 2022. Life360 therefore expects to be required to comply with the SEC regulatory regime from CY22 Q2 onwards. The Company has applied for a waiver from the ASX to avoid duplication of financial reporting, while complying with all ASX and SEC required and customary information to the market.

Amendment to March 2022 Quarterly Activities Report and Appendix 4C

The amendment to the Form 10 includes additional disclosures and clarifications requested by the SEC. In addition, due to the elapse of time since the 26 April 2022 lodgement, the Company is required to include in the Form 10 the March 2022 quarter financial statements. Details are set out in the table below.

In accordance with established practice, the Company continues to review the purchase price accounting for the Tile acquisition which closed in the March 2022 Quarter as additional accounting information becomes available within the 12 month lookback period under US GAAP. As a result of the Company's review, it has made several adjustments which result in the following changes to the income statement and statement of operating cash flows that were included in the March 2022 Quarterly Activities Report and Appendix 4C lodged with the ASX on 26 April 2022. An amended Appendix 4C for the March 2022 Quarter is attached.

Income Statement - Q1'2022

Consolidated Revenue	**US$M**
March 2022 Quarterly Activities Report	**52.7**
Revenue deferral from Q1 to Q2 due to Placer.ai recognition of the exclusivity and the initial valuation and recognition of the warrant	(1.7)
Amended Form 10	**51.0**

Consolidated Non-GAAP Underlying EBITDA	**US$M**
March 2022 Quarterly Activities Report	**(12.6)**
Revenue deferral from Q1 to Q2 due to Placer.ai recognition of the exclusivity and the initial valuation and recognition of the warrant	(1.7)
Accounting adjustments to align with group accounting policies upon acquisition of Tile including capitalization of internally developed software, adoption of ASC 842 (lease accounting) and deferred costs.	0.6
Adjusted Consolidated Non-GAAP Underlying EBITDA	**(13.7)**

Cash Flow Statement - Q1'2022

Net cash from/(used in) operating activities	US$M
March 2022 Appendix 4C	**(37.8)**
Reclassification to "Net cash from / (used in) investing activities" due to purchase price accounting adjustments to consideration attributable to the option payout and bonuses in the merger agreement.	16.1
Amended March 2022 Appendix 4C	**(21.7)**

Net cash from/(used in) investing activities	US$M
March 2022 Appendix 4C	**(96.2)**
Reclassification to "Net cash from / (used in) investing activities" due to purchase price accounting adjustments to consideration attributable to the option payout and bonuses in the merger agreement.	(16.1)
Amended March 2022 Appendix 4C	**(112.3)**

June 2022 Quarter Financial Statements

Life360 expects to lodge its Q2 2022 Financial Statements with the ASX on 16 August AEST.

Authorisation

Chris Hulls, Director, Co-Founder and Chief Executive Officer of Life360 authorised this announcement being given to ASX.

About Life360

Life360 operates a platform for today's busy families, bringing them closer together by helping them better know, communicate with and protect the people they care about most. The Company's core offering, the Life360 mobile app, is a market leading app for families, with features that range from communications to driving safety and location sharing. Life360 is based in San Francisco and had more than 38 million monthly active users (MAU) as at March 2022, located in 195 countries.

Contacts

For investor enquiries:
Jolanta Masojada, +61 417 261 367,
jmasojada@life360.com

For media enquiries:
Giles Rafferty, +61 481 467 903
grafferty@firstadvisers.com.au

Future performance and forward-looking statements

This announcement contains forward-looking statements about future events, including statements regarding Life360's intentions, objectives, plans, expectations, assumptions and beliefs about future events, including Life360's expectations with respect to the financial and operating performance of its business, its capital position, future growth, its integration of Tile and Jiobit and its Form 10 Registration Statement. The words "anticipate", "believe", "expect", "project", "predict", "will", "forecast", "estimate", "likely", "intend", "outlook", "should", "could", "may", "target", "plan" and other similar expressions can generally be used to identify forward-looking statements. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. Investors and prospective investors are cautioned not to place undue reliance on these forward-looking statements as they involve inherent risk and uncertainty (both general and specific) and should note that they are provided as a general guide only. There is a risk that such predictions, forecasts, projections and other forward-looking statements will not be achieved. Subject to any continuing obligations under applicable law, Life360 does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date of this announcement, to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statements are based. While due care has been used in the preparation of forecast information, actual results may vary in a materially positive or negative manner. Forward-looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainty, assumptions and contingencies, many of which are outside Life360's control, and are based on estimates and assumptions that are subject to change and may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements. To the maximum extent permitted by law, responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise is disclaimed. This announcement should not be relied upon as a recommendation or forecast by Life360. Past performance information given in this document is given for illustrative purposes only and is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information, future share price performance or any underlying assumptions. Nothing contained in this document nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Life360.

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

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Amendment No. 1 to

FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
Pursuant to Section 12(b) or (g) of
The Securities Exchange Act of 1934

Life360, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**26-0197666**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
539 Bryant Street, Suite 402 **San Francisco, CA**	**94107**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code:
Tel: (415) 484-5244

With copies to:

Gregory Heibel, Esq. **Alice Hsu, Esq.** **Marsha Mogilevich, Esq.** **Orrick, Herrington & Sutcliffe LLP** **The Orrick Building** **405 Howard Street** **San Francisco, California 94105** **Telephone: (415) 773-5700**	**Christopher Hulls** **Chief Executive Officer** **Life360, Inc.** **539 Bryant Street, Suite 402** **San Francisco, CA 94107** **Telephone: (415) 484-5244**

Securities to be registered pursuant to Section 12(b) of the Act:
None

Securities to be registered pursuant to Section 12(g) of the Act:
Common Stock, par value $0.001 per share
(Title of class)

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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. ☐

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EXPLANATORY NOTE

Life360, Inc. is filing this General Form for Registration of Securities on Form 10 (this "Registration Statement") under the Securities Exchange Act of 1934, as amended (the "Exchange Act") to register our common stock, including all shares of common stock underlying our CHESS Depositary Interests ("CDIs"), par value $0.001 per share (the "common stock"), pursuant to Section 12(g) of the Exchange Act. Once this Registration Statement is effective, the Company will be subject to the requirements of Section 13(a) of the Exchange Act, including the rules and regulations promulgated thereunder, which will require the Company, among other things, to file annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and the Company will be required to comply with all other obligations of the Exchange Act applicable to issuers filing registration statements pursuant to Section 12(g) of the Exchange Act. The Securities and Exchange Commission maintains an Internet website (http://www.sec.gov) that contains the reports mentioned in this section. Information contained on the website does not constitute part of this Registration Statement. We have included our website address in this Registration Statement solely as an inactive textual reference.

In this Registration Statement, unless the context suggests otherwise, the terms:

- "we," "us," "Life360" and "Company" refer to Life360, Inc., a Delaware corporation, and its subsidiaries;
- "$" or "USD" refers to U.S. Dollar;
- "A$" or "AUD" refers to Australian Dollar;
- "active user" refers to a member who opens the Life360 app after completing their registration;
- "ARPPC" refers to Average Revenue per Paying Circle which is our revenue for the period presented divided by the Average Paying Circles during the same period;
- "ASX" refers to the Australian Securities Exchange;
- "Average Paying Circles" are calculated based on adding the number of Paying Circles as of the beginning of the period to the number of Paying Circles as of the end of the period, and then dividing by two;
- "Board" refers to the board of directors of Life360, Inc.;
- "Bylaws" refers to the amended and restated bylaws of Life360, Inc.;
- "CDI" refers to CHESS Depositary Interests;
- "CHESS" refers to the Clearing House Electronic Subregister System;
- "Circles" refers to private groups created by members on the Life360 Platform, which allow members to stay connected to other members in the Circle with Circle-specific features such as location sharing, messaging and check-ins;
- "GAAP" refers to generally accepted accounting principles in the United States;
- "Jiobit" refers to Jio, Inc., a Delaware corporation and a wholly-owned subsidiary of Life360, Inc.;
- "Jiobit Acquisition" refers to Life360, Inc.'s acquisition of Jio, Inc. in September 2021;
- "Life360 Platform" refers to the suite of Life360 offerings of products and services including the Life360 mobile application and related third-party services but excluding Tile and Jiobit offerings;
- "Life360 Service" refers to the suite of Life360 offerings of products and services including the Life360, Tile and Jiobit mobile applications and related third-party services;
- "MAUs" refers to monthly active users of the Life360 Platform;
- "member cohort" refers to a group of members that downloads the Life360 app and registers for the Life360 Platform in a given month;
- "members" refers to the users of the applicable Life360 Service;
- "Paying Circles" refers to the Circles covered by a subscription;

- "Premium Memberships" refers to the Life360 Platform's comprehensive suite of premium services delivered through subscription-based offerings, which include Life360 Silver, Life360 Gold and Life360 Platinum;
- "SEC" refers to the U.S. Securities and Exchange Commission;
- "stockholders" refers to the holders of beneficial interest of the Company's shares of common stock, including all shares of common stock underlying our CDIs;
- "subscriber" refers to a person who has purchased a subscription to any Life360 Service;
- "subscription" refers to a paid subscription to any Life360 Service;
- "Tile" refers to Tile, Inc., a Delaware corporation and wholly-owned subsidiary of Life360, Inc.; and
- "Tile Acquisition" refers to Life360, Inc.'s acquisition of Tile, Inc. in January 2022.

FORWARD-LOOKING STATEMENTS

This Registration Statement contains forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to our management. Some of the statements under "Risk Factors," "Life360 Management's Discussion and Analysis of Financial Condition and Results of Operations," "Tile Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and elsewhere in this Registration Statement contain forward-looking statements. In some cases, you can identify forward-looking statements by the following words: "may," "might," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "seek," "believe," "estimate," "predict," "potential," "continue," "contemplate," "possible" or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words.

These statements involve risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Although we believe that we have a reasonable basis for each forward-looking statement contained in this Registration Statement, we caution you that these statements are based on a combination of facts and factors currently known by us as of the date of this Registration Statement and our projections of the future, about which we cannot be certain. Forward-looking statements in this Registration Statement include, but are not limited to, statements about:

- our ability to further penetrate our existing member base and maintain and expand our member base;
- our expectations regarding future financial performance, including our expectations regarding our revenue, cost of revenue, and operating expenses, and our ability to achieve or maintain future profitability;
- the effects of increased competition in our markets and our ability to compete effectively in our industry;
- our ability to maintain the value and reputation of our brands;
- our business plan and our ability to effectively manage our growth and meet future capital requirements;
- anticipated trends, developments, and challenges in our industry, business and in the markets in which we operate;
- our ability to successfully acquire and integrate companies and assets, including Tile and Jiobit, and to expand and diversify our operations through strategic acquisitions and partnerships;
- our market opportunity, including our total addressable market and serviceable addressable market;
- market acceptance of our location sharing services, tracking products and digital subscription services;
- our ability to anticipate market needs or develop new products and services or enhance existing products and services to meet those needs;
- our ability to increase sales of our products and services;
- our ability to develop new monetization features and improve on existing features;

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- the effects of uncertainties with respect to the legal system in the People's Republic of China (the "PRC") and in Malaysia, where our primary manufacturer's facilities are located, and of disruption in the supply chain from Malaysia;

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- the effects of seasonal trends on our results of operations;
- our expectations concerning relationships with third parties;
- our ability to maintain, protect, and enhance our intellectual property;

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- the effects of an economic downturn or economic uncertainty on consumer discretionary spending and demand for our products and services;

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- our ability to stay in compliance with laws and regulations that currently apply or become applicable to our business both in the United States and internationally, including with respect to data privacy and security, consumer protection, location sharing, item tracking, targeting and children's privacy protections;
- our ability to identify, recruit, and retain skilled personnel, including key members of senior management; and
- economic and industry trends, projected growth or trend analysis.

You should refer to the "Risk Factors" section of this Registration Statement for a discussion of other important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this Registration Statement will prove to be accurate. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time and existing risks and uncertainties may become more material, 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 Registration Statement.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Registration Statement, and although we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted a thorough inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely upon these statements. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

MARKET AND INDUSTRY DATA

Within this Registration Statement, we reference information and statistics regarding the industry and market within which we compete and our competitive position. We have obtained this information and statistics from various independent third-party sources, including independent industry publications, reports by market research firms and other independent sources. Some data and other information contained in this Registration Statement are also based on management's estimates and calculations, which are derived from our review and interpretation of internal company research, surveys and independent sources. Data regarding the industries in which we compete and our market position and market share within these industries are inherently imprecise and are subject to significant business, economic and competitive uncertainties beyond our control, but we believe they generally indicate size, position and market share within these industries. While we believe such information is reliable, we have not independently verified any third-party information. While we believe our internal company research, surveys and estimates are reliable, such research, surveys and estimates have not been verified by any independent source. In addition, assumptions and estimates of our and our industries' future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors." These and other factors could cause our future performance to differ materially from our assumptions and estimates. See "Forward-Looking Statements." As a result, you should be aware that market, ranking, and other similar industry data included in this Registration Statement, and estimates and beliefs based on that data may not be reliable. We cannot guarantee the accuracy or completeness of any such information contained in this Registration Statement.
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Life360's market share metric referenced elsewhere in this Registration Statement is a measurement we have developed by comparing the Life360 app to a group of 17 other apps ("Comparable Apps") offering location sharing, children safety or family location safety services. We used data.ai to obtain information related to global revenue for the Life360 app and each of the Comparable Apps for the period from January 2021 to December 2021. In order to derive the Life360 market share based on revenue, we took the Life360 revenue provided by data.ai (which reflects data.ai's market estimates which are also applied to the revenue estimates provided by data.ai for the Comparable Apps) as a percentage of the total revenue of the Life360 app plus the 12 apps out of the Comparable Apps that are monetized for the period indicated above. Our revenue-based global market share excludes the apps that are not monetized, as data.ai does not provide revenue information when an app is not monetized. These include: Find My, Glympse, Google Family Link, Verizon FamilyBase and Zenly. The metrics that we receive from data.ai reflect data.ai's market estimates and are not certified data from the respective app owners, and the market share metric that we provide is based upon calculations, statistics or groupings determined by Life360 using the data provided by data.ai.
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TRADEMARKS, SERVICE MARKS AND TRADE NAMES

We have proprietary rights to trademarks and patents used in this Registration Statement that are important to our business, many of which are registered under applicable intellectual property laws. This Registration Statement also contains trademarks, tradenames, service marks and copyrights of other companies, which are the property of their respective owners. Solely for convenience, trademarks, tradenames, service marks and copyrights referred to in this Registration Statement may appear without the "®" or "™" symbols, but such references are not intended to indicate, in any way, that we or their owners will not assert, to the fullest extent possible under applicable law, our rights or their, as applicable, rights to these trademarks, trade names, service marks and copyrights. We do not intend our use or display of other companies' trademarks, trade names, service marks or copyrights to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

ITEM 1. BUSINESS.

Overview

Life360 is the leading technology platform, based on market share of the family safety and location sharing app market, to locate the people, pets and things that matter most to families. Life360 is creating a new category at the intersection of family, technology, and safety to help keep families connected and safe. We provide safety services delivered through a mobile-native, subscription-based offering built around location sharing, mobility, driving, and coordination. In 2021, we estimated one in 10 families in the United States used the Life360 Platform and, on average, our U.S. active users and members who have enabled push notifications used the service over 15 times a day to coordinate and communicate. We also provide coverage for the "what ifs" that families worry about most, ranging from driving safety to personal SOS, identity theft protection and more. Nothing is more important than family, and we help provide peace of mind for life's unpredictable moments for families around the world.

We started Life360 in 2007 with the vision that families would need a dedicated safety membership that incorporates a suite of safety services spanning every life stage of the family. We started by creating one of the first smartphone-based location apps on the Google Android platform. Since then we have consistently expanded our offerings and evolved from an app into a much broader platform. As a result of our innovation, we are the category leader within apps that target the family safety and location sharing app market. We have averaged a top seven ranking in the U.S. Apple App Store for downloads in the social networking category for the last three years.

Today, technology allows families to be more digitally connected than ever before, unlocking tremendous opportunities for the types of services we provide. Our platform provides us with a large audience of members worldwide and a deep understanding of their demographic and needs, including who their family members are, their daily habits and broader needs. This understanding enables us to provide a differentiated value proposition to consumers. Leveraging the trust we have with our members and the insights we collect about their daily lives enables us to build tailored products based on families' needs, and provide an ever-growing suite of relevant services.
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Our goal is to become the dominant digital brand at the center of family safety and location sharing globally. Life360 has approximately 65% and 66% global market share of the family safety and location sharing app market based on revenue for the month ended March 31, 2022 and for the month ended December 31, 2021, respectively, and over 39% and 42% aided brand awareness in the United States among parents with children ages 11 to 22 in the three months ended March 31, 2022 and in the three months ended December 31, 2021. See "Market and Industry Data" for more information on how we calculate market share. As of March 31, 2022, the Life360 Platform had more than 38 million members and over 1.3 million Paying Circles and was available for download in over 170 countries through the Apple App Store and over 130 countries through the Google Play Store, with approximately one in seven U.S. members in a Paying Circle. Additionally, our Tile offering is the leading cross-platform brand in finding items based on market share of the item tracker market as of March 31, 2022, with over 50 million devices sold since its inception and over 478,400 total subscribers for the year ended December 31, 2021.

Our revenue is primarily generated from the sale of subscriptions to access our services across our three brands—Life360, Tile and Jiobit. Our ability to drive value for our subscribers and retain and expand usage across our subscriber base is demonstrated by our net subscriber revenue retention on the Life360 Platform of over 100% based on the average monthly revenue for the six months ended March 31, 2022 as compared to the member cohort who registered before or in September 2021. This increased usage has also enabled us to drive growth in our ARPPC, a measure of our Paying Circles. Between the three months ended March 31, 2022 and 2021 we grew ARPPC to $87.66 from $75.92, an increase of 15%. Between the years ended December 31, 2021 and 2020 we grew ARPPC to $80.22 from $69.14, an increase of 16%. As we continue to grow our product offering, enter new markets, and drive international expansion, we aim to continue to grow our ARPPC.

In addition, approximately 16% of our revenue for the three months ended March 31, 2022 and approximately 22% of our revenue for the year ended December 31, 2021 was generated indirectly. Indirect
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revenue includes the sale of data insights from our member base and the sale of third-party products and services, including through targeted ads within our platform. For example, we generate revenue through the display of auto insurance products within the Life360 Platform.

The privacy of our members' data remains at the core of our business. In 2022 we agreed to a new data partnership with Placer.ai ("Placer") to move toward selling only aggregated data insights. We are in the process of winding down our legacy data sales partnerships and will be transitioning to an aggregated data sales model, in order to enhance privacy protections for our members and reduce risks to the business. We will continue to derive indirect revenues through the sale of third-party products and services, including through ads within our platform. In keeping with our vision and consistent with that aggregated data sales model, we are exploring ways, in the future, to enable members to avail themselves of compelling offers and opportunities by enabling our partners to use their data with members' explicit, affirmative opt-in consent.
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We have recently taken a significant leap forward to achieving our goal of becoming the most trusted family safety brand through our acquisitions of Tile, the platform-agnostic global leader in finding things, and Jiobit, a provider of wearable location devices for young children, pets and seniors. We expect to continue expanding our offering across digital platforms that are rapidly becoming part of daily life, including but not limited to connected devices, wearables, smart assistants, desktops and infotainment systems. As we continue to drive innovation and as digitally native families become the norm, we believe we are well-positioned to become the dominant digital brand for family safety and location sharing around the world. Our long-term vision expands Life360 beyond location-based services into a single hub where families discover, access and buy a broader set of services related to safety, being on the go or daily peace of mind (for example, elder monitoring, insurance and home security).

Our compelling financial profile is characterized by high growth, strong paid member retention, recurring revenue, and efficient customer acquisition, which have driven strong historical growth. We have an efficient go-to-market model, in which organic word-of-mouth drives the majority of our member acquisition. The Life360 Platform operates under a freemium model in which our service is available to members at no charge, while additional features are available via Premium Memberships.
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For the three months ended March 31, 2022 and March 31, 2021, Life360 generated:

- Total revenue of $51.0 million and $23.0 million, respectively; and
- Net loss of $25.2 million and $3.9 million, respectively.

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For the years ended December 31, 2021 and December 31, 2020, Life360 generated:

- Total revenue of $112.6 million and $80.7 million, respectively; and
- Net loss of $33.6 million and $16.3 million, respectively.

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For the year ended December 31, 2021, on a pro forma basis after giving effect to the Tile Acquisition, we generated:

- Total revenue of $218.2 million; and
- Net loss of $78.4 million.

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Our Competitive Strengths

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- ***Leading Platform for Family Safety and Location Sharing.*** Life360 is the leader in family safety and location sharing, with approximately 65% and 66% global market share of the family safety and location sharing app market based on revenue for the month ended March 31, 2022 and for the month ended December 31, 2021, respectively. See "Market and Industry Data" for more information on how we calculate market share. In 2021, we estimated approximately one in 10 families in the United States used the Life360 Platform to protect the people, pets and things that matter most to families. As a result of our innovation, we have averaged a top seven ranking in the U.S. Apple App Store for downloads in

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the social networking category for the last three years. Life360 is one of the highest ranked social networking and lifestyle mobile apps, ranking top seven on the Apple App Store and Google Play Store in the United States, as of March 31, 2022. As app store rankings significantly impact a consumer's decision to download an app, we believe our high ranking in the app stores drives strong organic member acquisition for Life360.

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- ***Powerful Network Effects.*** Life360 has built a brand entrusted by over 38 million members on the Life360 Platform and over 1.3 million Paying Circles worldwide, as of March 31, 2022, to keep what matters most—their families—safe. We have built a brand that is synonymous with family safety and location sharing, as demonstrated by over 39% and 42% aided brand awareness in the United States among parents with children ages 11 to 22 for the three months ended March 31, 2022 and for the three months ended December 31, 2021. Our brand awareness and word-of-mouth virality have led to 87% of registrations as organic members in countries where our apps are available for download in the year ended December 31, 2021, low customer acquisition cost, and the ability to grow with minimal paid marketing. We believe we are well positioned to continue driving adoption of our growing suite of services.

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- ***Highly Engaged and Loyal Member Base.*** We believe our member experience is what has enabled Life360 to become the leading player in family safety and location sharing. Our members are highly engaged with the Life360 Service. On average, our U.S. active users and members who have enabled push notifications engaged with the Life360 Platform over 15 times per day in 2021. Key to our ability to drive member engagement are our deep data insights on our members, which allow us to identify specific life transition points that correlate with purchasing activity. Our member base is highly entrenched in our platform—as more of a member's family members join the Life360 Platform, they are able to gain increasing insights into the activities of their Circle that are not replicable on any other social network. The combination of these factors contributes to our significant competitive advantage.

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- ***Powerful Flywheel Drives Organic Member Growth and Subscriber Conversion.*** Our strong brand awareness and trust drive customer acquisition through word-of-mouth, and as members invite new members to our platform, we benefit from strong product virality and loyalty driven by our subscription membership model. Our members on the Life360 Platform grew by a 22% Compound Annual Growth Rate ("CAGR") from 20.9 million in March 2019 to over 38.3 million in March 2022, and our Paying Circles grew by a 24% CAGR from 0.7 million to over 1.3 million during the same time period. Our net subscriber revenue retention on the Life360 Platform was over 100% based on the average monthly revenue for the six months ended March 31, 2022 as compared to the member cohort who registered before or in September 2021. Our paid conversion reflects subscribers converting to paid subscriptions within the first month following their initial registration with the Life360 Platform. In the United States, our paid conversion has continued to improve to an average of 2.2% paid conversion for the three months ended March 31, 2022, from an average of 1.6% paid conversion for the three months ended March 31, 2021, and 2% paid conversion for the year ended December 31, 2021, from an average of 1.1% paid conversion for the year ended December 31, 2020. As our platform scales to accommodate our growing member base, this growth drives peer-to-peer network effects and data driven insights that further improve our targeted offerings to members. For example, we have insight into one-tenth of all miles driven in the United States, allowing us to better understand driving behavior and suggest tailored insurance offerings based on individual needs.
- ***Comprehensive Product Suite with Breadth and Depth of Functionality.*** Since 2016, we have invested over $175 million in research and development into our purpose-built platform for family safety and location sharing. Our unique technology spans a wide range of services, from emergency assistance to identity theft protection to phone insurance, applicable for every member of the family from child to grandparent. We are continually expanding our platform for our families. We believe our acquisitions of Tile and Jiobit will drive further growth and conversion by improving the overall user experience. Our combination of services brings together software and finding capabilities for people, pets and things in a unified platform.

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- ***System- and Device-Agnostic, with Operating System (OS) Neutrality and Interoperability.*** The Life360 suite of offerings is system- and device-agnostic, offering a unique cross-platform competitive advantage, especially in Android-heavy locales. Our products and services work seamlessly for families, regardless of the different platforms and devices that each family member may elect to use. We believe we will continue to benefit from the increasing proliferation of connected devices with our interoperable approach.
- ***Scalable Business Model Driven by Recurring Revenue.*** We believe that we have a highly scalable business model that maximizes our revenues and minimizes our costs. The recurring nature of our subscription business coupled with strong Paying Circle retention provides significant near-term revenue visibility, while our unpaid member base serves as a highly efficient subscriber acquisition funnel.
- ***Founder-Led, Seasoned Management Team.*** Life360's leadership team is composed of highly experienced executives, with a proven track record of scaling consumer technology and subscription businesses, led by our co-founder and Chief Executive Officer, Chris Hulls. We are aligned and focused on our opportunity to build the most trusted brand in technology for families.

Our Growth Strategies

We intend to pursue the following growth strategies:

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- ***Grow Members in New and Existing Markets.*** Life360 has both a strong foothold in the United States, where we estimated one in 10 families used the Life360 Platform in 2021, and a large and growing international member base. The Life360 app is available for download in over 170 countries through the Apple App Store and more than 130 countries through the Google Play Store as of March 31, 2022. Our members are our best acquisition engine, and we believe that word-of-mouth referrals will continue to drive strong new member growth for Life360. We plan to drive further market penetration through increased investments in international marketing and brand awareness, member acquisition initiatives, and the provision of new features, such as our free data breach alerts, into these regions. In December 2021, we launched the first non-U.S. full-service membership offering of the Life360 Platform in Canada, with plans to continue this rollout in other markets such as the United Kingdom (the "UK"), Australia and Europe. Our acquisition of Tile, which is system- and device-agnostic and derives 16% of its hardware net revenue from outside the United States for the nine months ended December 31, 2021, has the potential to significantly accelerate our international growth roadmap, especially in Android-heavy locales.
- ***Improve Conversion from Free Members to Paid Subscriptions.*** As of March 31, 2022, MAUs in U.S. Paying Circles represented approximately 14% of our approximately 25 million U.S. MAUs, and as of December 31, 2021, MAUs in U.S. Paying Circles represented approximately 14% of our approximately 24 million U.S. MAUs, providing a strong runway for additional paid conversion. We understand the deep impact our services have on the daily lives of our members. On average, our U.S. active users and members who have enabled push notifications engaged with the service over 15 times a day in 2021. Our primary strategy for subscriber conversion is to continue to invest in our product offering, meet the high standards of service that will allow our members to rely on us and deepen our engagement with our member base.

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- ***Increase Monetization of Our Subscriber Base.*** As our members increase their engagement with our services, we see not only higher conversion to paid subscription but also higher average revenue per member as our members move to higher priced subscription tiers. Beyond our free membership, we offer Premium Memberships, which include Life360 Silver, Life360 Gold and Life360 Platinum. Our recent acquisitions of Tile and Jiobit are intended to enhance the value proposition of the Life360 subscription, creating opportunities for increased upsell. Similarly, Life360's offering drives increased upsell opportunities for Tile and Jiobit's premium tiers. See "—Our Products—Tile—Tile Subscription Options" and "—Our Products—Jiobit—Jiobit Subscription Options." We plan to expand our suite of services beyond location and safety, to meet family needs across the life stage continuum—from children to empty nesters, to elder care.

- ***Pursue Disciplined Expansion in New Use Cases, Including Entering New Verticals.*** Product innovation lies at the heart of our platform, and as we continue to leverage our core technologies to offer additional services, expand into more life stages of families and enter new verticals, we will strengthen our value proposition to consumers. We leverage the insights we generate from our platform to further enhance our offering. While we primarily monetize via subscriptions today, we intend to expand into new revenue streams by leveraging the trust we have with our members and the insights we collect about their daily lives. For example, we are developing our lead generation which delivers product offerings from partners to members in contextually relevant ways that do not feel like advertisements. Currently, lead generation at Life360 is limited to displaying auto insurance offers in the Life360 Service after the member has indicated they are interested in receiving such offers by clicking on the advertisement within the app. In the future Life360 may consider offering members more third-party solutions beyond auto insurance through lead generation.
- ***Assess Strategic Acquisition Opportunities.*** With our acquisitions of Tile and Jiobit, we plan to leverage our platform to bring additional opportunities to enter new verticals for pets, elder care, and the things that matter most to families. These acquisitions have been successful in accelerating our platform vision, driving growth, and delivering value. We may selectively pursue acquisitions to accelerate our platform opportunity in the future, focusing on areas of differentiation that shore up our scale and competitive advantage.

Our Opportunity

We believe that our market opportunity is supported by several long-term tailwinds driving demand for the Life360 Service.

Industry Trends in Our Favor

- ***Increased Prevalence of Connected Devices.*** Today, there is a widespread proliferation of connected devices that allows people to stay "always connected" and manage their daily lives. This trend is further accelerated by generational shifts in digital adoption, with children using digital technologies at earlier ages and people using technology across all stages of life. These connected devices have increased the availability of location-based capabilities and enabled new use cases for consumers, including personal and device tracking.
- ***Shift Towards Mobile App-Based Experiences.*** Consumers expect user-friendly, on-demand, mobile-first experiences that provide convenience, functionality, safety, and control. According to Allied Market Research, the global mobile application market is projected to grow from $176 billion in 2021 to $407 billion in 2027 at a CAGR of 18%.
- ***Broader Adoption and Expectation of Location Sharing.*** Social media apps have helped drive awareness of location-based services and have led to the normalization of location sharing between users for a wide range of consumer applications, such as communication, social coordination, and travel. Growth in location-based services is expected to be further driven by innovation in areas such as location safety, driving safety, digital safety, and emergency assistance. According to Technavio, the global location-based services market is expected to grow from $30 billion in 2021 to $100 billion by 2025, at a CAGR of 35%.
- ***Increased Focus on Safety and Coordination Post-COVID.*** As the world moves through COVID-19, families are resuming their normal daily activities, including children returning to school, increased travel, and out-of-home activities and experiences. We believe families are doing so with an increased focus on enhanced safety. Location sharing and tracking provide a way to enhance safety to protect family members, providing peace of mind and coordination even as members of the family are distributed across different locations and activities.
- ***Growth in Adoption of Digital Subscription-Based Services.*** Digital subscription-based services have grown in popularity globally, disrupting nearly every industry from retail to media to hospitality. Consumers are embracing subscription services due to the value, convenience, and personalized experiences enabled by these services.

Addressable Market

With our location-based technology as an anchor and our holistic approach to create the most trusted family safety brand, we have direct entry points into several large global industries.

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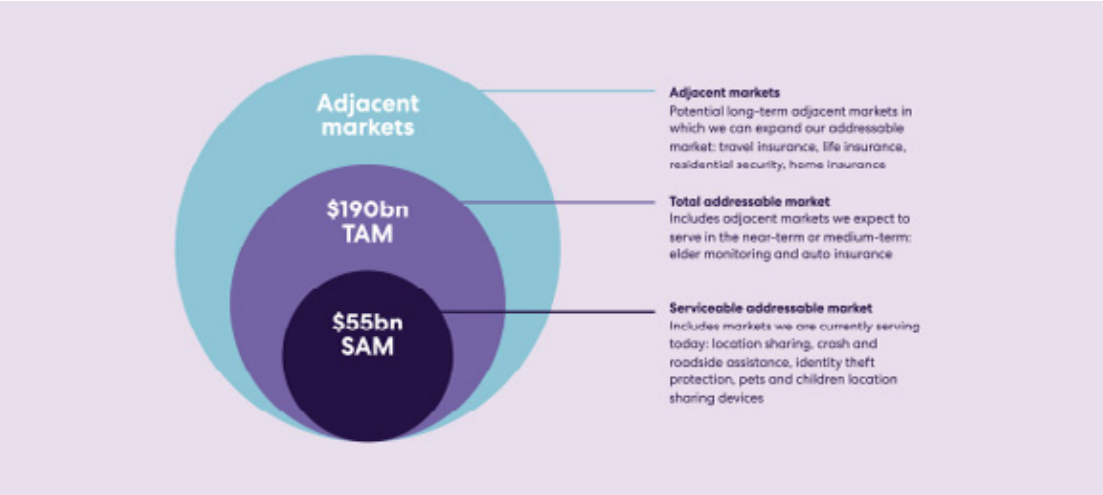

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Our current addressable market includes industries we are serving today and in which we are actively growing or investing. We estimate our serviceable addressable market to be $55 billion globally, consisting of verticals in location sharing, crash and roadside assistance, identity theft protection and pets and children location sharing devices, with additional opportunity in item tracking (not currently included in the $55 billion serviceable addressable market):

- ***Location Sharing.*** Location sharing and associated safety features are a core pillar of our service, providing peace of mind for families through knowing location activity, receiving notifications, coordinating through messaging, and sending emergency alerts. The Life360 Service allows members to access dynamic location data and is part of the estimated $30 billion location-based services market in 2021 that is expected to grow to $100 billion by 2025 at a CAGR of 35%, according to Technavio.

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- ***Item Tracking.*** Tile is a pioneer in the rapidly growing smart tracker industry. The market has seen strong growth in recent years as customers increasingly rely on this technology for more use cases in their daily lives, such as: finding lost keys; reminding them if they have left for work without their laptop; locating lost luggage; or keeping track of a child's jacket, among others. At a time when daily life is becoming more hectic, the smart tracker market helps address the everyday pain point of losing or misplacing the things that matter most to families.
- ***Crash and Roadside Assistance.*** Life360 Service's Crash Detection service can sense collisions and deploy emergency response; additionally, we aid with roadside issues, including towing and jumpstarts. According to Technavio, the vehicle roadside assistance market was estimated to be $15 billion globally in 2021 and is expected to grow to $18 billion by 2025 at a CAGR of 6%.
- ***Identity Theft Protection.*** Increased credit card, employment, and bank fraud has driven a need for identity theft protection services. According to Magna Intelligence, the identity theft protection market was estimated to be $7 billion in 2021, growing to $21 billion by 2028 at a CAGR of 16%. Life360 developed a platform through which we leverage our aggregated data to offer proactive protection, notify about potential threats, and assist in remediation.

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- ***Pets and Children Location Sharing Devices.*** Our acquisition of Jiobit adds a new pillar to our business, allowing us to cater to consumers with pets and children five to 10 years old through

wearable devices. According to Global Market Insights, the pet wearables market was estimated to be $3 billion in 2021 and expected to grow to $10 billion by 2027 at a CAGR of 22%.

As part of our growth roadmap, we expect to leverage our core experience to drive growth in adjacent markets, expand our addressable market, and integrate Life360 into all life stages. Our total addressable market consists of adjacent markets which we believe we can reach over the near- to mid-term and present an additional combined $190 billion global market opportunity in auto insurance and elder monitoring, with additional opportunity in family financial services (not currently included in the $190 billion total addressable market):

- ***Auto Insurance.*** Today, the Life360 Service tracks 10% of all miles driven in the United States, giving us unique insights into driving habits. We believe we can leverage this contextualized driving data and partner with insurance underwriters to offer bespoke plans, disrupting the insurance agent and broker distribution channel in the consumer auto insurance industry. According to Allied Market Research, the personal auto insurance industry for insurance agents and brokers is expected to grow from approximately $187 billion in 2021 to $267 billion in 2027 at a CAGR of 6%.

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- ***Elder Monitoring.*** The elder monitoring market includes a range of wearables, smart home technology and other monitoring devices that provide location and health tracking, incident alerts and other communication services for elderly users, their caregivers and families. We have the opportunity to enter this market because hardware-based elder monitoring devices are used similarly to how Life360 is used today. We may also be able to implement software-based functionality into Life360 that tracks an elder's activity, such as falls, leaving the home or leaving a geo-fenced area. According to Research and Markets, the mobile personal emergency response systems market was approximately $4 billion in 2021, growing to $6 billion by 2027 at a CAGR of 8%.

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- ***Family Financial Services.*** As we continue to deliver on a complete suite of family membership services, we can leverage the trust we have built with families to offer unique services for children and teenagers. With our core location platform and insights about families, we believe we can drive innovation in this rapidly expanding industry by building partnerships with the leading players in the space.

Our Value Proposition to Consumers

Our platform provides the following key benefits to family members at all family life stages:

- ***Secure Location Sharing and Coordination***. Location sharing and coordination underpin our platform, providing security and peace of mind to Life360 Service members. Using our location platform and location-based insights as a foundation, we expect to continue building innovative safety services and adding value to consumers in adjacent areas built upon location and safety.
- ***Comprehensive Platform for Safety***. Life360 provides a suite of services that span every life stage of the family.
  - *People, Pets, and Things*. We provide the full breadth of location-based offerings for people, pets, and things in a single solution set. We believe this combined offering is a key differentiator for us, enabling us to cover all life stages and use cases for our member base.
  - *Physical, Digital, and Driving Safety*. The Life360 Platform combines key safety solutions and incorporates them into a single membership within a single mobile app. We started with a focus on physical family safety and have recently expanded into digital family safety to help families as they face digital safety challenges. Life360 Platform subscribers get access to trained third-party emergency response operators who can offer real-time help 24/7 in situations that range from minor annoyances such as getting a flat tire and everyday challenges such as basic medical advice, to critical emergencies such as car accidents and stalking.
- ***Ease of Use***. We designed our platform for broad adoption across individuals and families. We have focused on a well-designed member experience that provides peace of mind with intuitive, frictionless

tools for members. The simplicity and ease of adopting our products create a seamless, worry-free experience for members.

- ***Leading Innovation***. Life360 is focused on continuously developing new features and expanding our offerings to drive value for our members. Our long-term vision expands Life360 into a hub where families discover, access and buy a broader set of services related to safety. To date, we have expanded from location sharing to a wide range of adjacent services, such as driver safety, identity theft protection, and disaster and travel assistance, among many others. We expect to continue leveraging our insights on member needs to continue expanding our offering into new industries, such as insurance and elder monitoring. Tile also focuses on continuous innovation. For example, Tile offers an industry-first "Item Reimbursement" service, providing reimbursement for a lost item if Tile is unable to locate the item. Tile also designs numerous form factors to ensure there is a device for every use case.
- ***Large and Engaged Member Base Driving Value Creation***. The scale and high engagement of our member base drives powerful network effects, attracting more members to our platform. Our scale gives confidence in our solutions and enables us to derive critical insights on member habits, needs and preferences to further enhance our product offerings and improve the member experience. This ability to leverage data through scale results in a continuous cycle of value creation.
- ***Flexibility and Interoperability***. Our system- and device-agnostic approach enables OS interoperability, making it seamless for members to stay connected across operating systems and devices. Life360 gives families the choice and flexibility to use the options that work best for their family; each family member can select the right device and be a part of Life360.
- ***Bundled Membership Provides Compelling Value to Consumers***. Life360's bundled membership provides a cost-effective solution at a fraction of the cost for consumers compared to incumbents in the safety, security, and insurance industries. Most of our features are software-based, with the advantage of very low setup and support costs, making the marginal cost of onboarding incremental new members very low. For example, Life360 Platinum offers roadside assistance, nurse help line, stolen phone reimbursement, crash detection, location sharing, and more, at less than one-tenth the cost of the same package purchased piecemeal from competitors.
- ***Partner Ecosystem Enhancing Platform Functionality***. Our scale has allowed us to build unique partnerships that expand the value and reach of our offering. Tile devices are embedded in products with over 30 partners, such as Bose, HP, Skullcandy, and Dell. This network of partners helps broaden our location sharing functionality and allows members to benefit from Life360's technology across the devices and use cases that best fit their lifestyle.

Our Products

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Life360

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Life360 provides a one-stop solution for family safety and location sharing through the Life360 Platform's vertically-integrated mobile app and our Tile and Jiobit location sharing devices. Although presently the Life360, Tile and Jiobit platforms are not yet integrated, we plan to integrate them before the end of 2022.

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Life360 Platform

We currently offer four key product features that combined make up the Life360 Platform: (i) location coordination and safety, (ii) driving safety, (iii) digital safety, and (iv) emergency assistance. Each of these features keeps members connected to the important people in their lives by organizing them into Circles. A member selects who to invite to their Circle and what information a Circle receives. Any individual invited to a Circle must accept the invitation on their own device by installing the Life360 mobile app, creating an account, and giving permission for others to locate them by joining the Circle. Members of a Circle will receive information about other members in their Circle consistent with the services available based on their subscription plan and what a member chooses to share with their Circle.

Our location coordination and safety features include real-time location, location history and smart notifications such as location-specific alerts, driving alerts, crash alerts and crime reports. The Life360 Platform provides members with a custom map that shows the real-time location of the members in their Circles and additional context around their location data, such as street address and battery level. The device location data and information members elect to share with the platform enable us to efficiently capture accurate, real-time location data while the app is running in the background, which ensures that the member's map is always up to date and visible to other members of their Circle, even if the member does not open the app. Members have the option to disable location sharing at any time for a specific Circle and to customize location sharing through a feature called "bubbles," which only shares approximate location with Circle members while all safety and messaging features remain on. Additionally, our location history feature enables members to see the location history for each member in their Circle for the past two to 30 days based on their subscription plan. Parents can retrace their family members' steps to get an ongoing timeline of their family's past trips. Smart notifications, such as place alerts, drive alerts and crime reports, allow members across a Circle to coordinate when and where they arrive without having to send a single text. Place alerts automatically alert members when a Circle member enters or leaves a location designated by a Circle member. The Life360 Platform also provides crime alerts when crimes occur near members in order to promote greater safety and facilitate smarter decisions.

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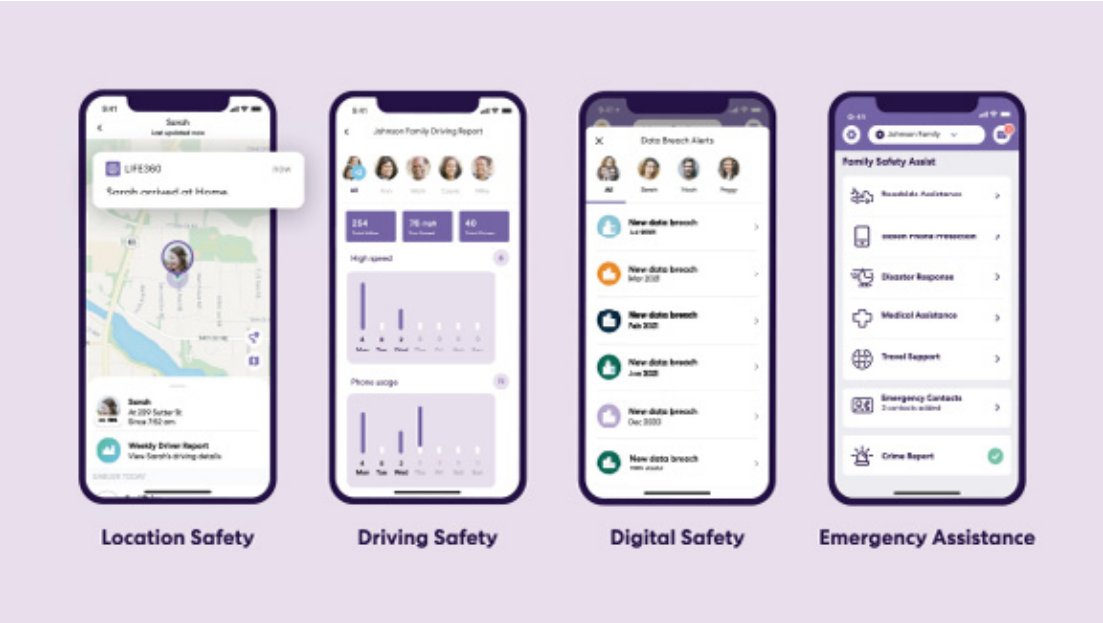

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Our driving safety features include crash detection, roadside assistance, family driving summaries and individual driver reports. Our crash detection feature senses any collision that occurs at a speed over 25 miles per hour and immediately alerts the member's Circle and emergency contacts if the member does not respond to the crash detection's initial outreach. Outside of crash detection, we offer 24/7 roadside assistance to help with jumpstarts, towing, lockouts, refueling and other needs. During a drive, the Life360 Platform analyzes phone location and movement activity to determine potentially unsafe driving behaviors such as high speed, hard braking and rapid acceleration. When a member enables the Drive Detection feature, other members of the driver's Circle are able to view a summary of each drive that is at least half a mile long and hits a speed over 15 miles per hour. Our family driving summary provides members with weekly snapshots of a Circle's driving insights including top speed, phone usage, high speed, rapid acceleration and hard braking.

Our digital safety features include data breach alerts, identity theft protection, stolen funds reimbursement and credit monitoring. Data breach alerts attempt to identify theft by notifying the Circle if a Circle member's

data is stolen and found on the dark web. If identity theft occurs, specialists are available to assist Life360 Gold and Life360 Platinum members with gathering information, restoring the member's identity and completing the necessary paperwork. Our third-party partner provides Life360 Gold members with stolen funds reimbursement of up to $25,000 for costs associated with out-of-pocket expenses related to identity theft and, for Life360 Platinum members, stolen funds reimbursement of up to $1,000,000 for costs associated with out-of-pocket expenses related to identity theft. Life360 Platinum members also receive third-party credit monitoring which notifies Life360 Platinum members if new accounts are opened in their name or if there is a change in their credit report.

Our emergency assistance features include SOS with emergency dispatch, disaster response, medical assistance and travel support. We offer SOS alerts with emergency dispatch that send alerts to a member's Circle and request an ambulance in the event Life360 detects a car crash. We expand on these services for our Life360 Platinum members with disaster response that provides access to trained third-party agents who can provide assistance in the following cases: evacuation support in the event of natural disasters, active shooter events, emergency evacuation due to political or military events and other emergency situations including real-time information and expert resources about infectious disease outbreaks. We also provide medical assistance features, through a third-party partner, to Life360 Platinum members, including an on-call 24/7 nurse hotline, medical advice, and referrals for pharmacies and specialists. The travel support feature equips Life360 Platinum members with assistance with the following: emergency travel arrangements, lost or stolen travel documents, lost luggage, access to a translator, interpreter referrals and pre-trip planning such as assistance with visa, passport and inoculation requirements.

Life360 Subscription Options

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The Life360 app is available for download in more than 170 countries through the Apple App Store and more than 130 countries through the Google Play Store as of March 31, 2022. We operate under a freemium model in which the Life360 Platform is available at no charge and includes a number of safety features for the everyday family. Beyond our free membership, we offer a comprehensive suite of premium safety services through Premium Memberships, which include Life360 Silver, Life360 Gold and Life360 Platinum. Pricing for

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the Premium Memberships of the Life360 Platform currently ranges from $4.99 to $19.99 per month depending on the chosen subscription option.

Premium Memberships are available in the United States and Canada. Outside of these two markets, Life360 offers the free membership and a single paid membership option ("Life360 Premium"), which is priced at $4.99 per month in local currency equivalent and offers unlimited place alerts, 30-day location history and individual driver reports.

Tile

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As of March 31, 2022, Tile was the leading cross-platform brand in finding things based on market share of the item tracker market. We acquired Tile in January 2022 to create a comprehensive cross-platform solution that enables location-based tracking of people, pets and things.

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Tile Product Line

Tile's platform helps people find the things that matter the most to them, locating millions of unique items every day. Tile's products come in various shapes, sizes and price points for different use cases. We expect that Tile's network will become more robust when it leverages the Life360 member base to broaden its Tile network, generating even higher confidence that we can locate lost devices of Tile customers. Tile devices are sold through retail channels such as Best Buy, Target and Amazon as well as directly via Tile.com. Single Tile devices have a range of U.S. manufacturer's suggested retail prices from $19.99 to $34.99 with additional bundles at higher price points. Tile devices are available in 50 countries at locally relevant prices.

We offer Tile in a range of form factors, designed to offer flexibility for different use cases. The Tile product line includes Pro, Mate, Slim and Sticker. The Tile Pro is our most powerful tracker with a range of up to 400 feet and offers a replaceable battery with a lifespan of up to one year. The Tile Mate is our most versatile tracker with a range of up to 250 feet and offers a non-replaceable battery with a lifespan of up to three years. The Tile Slim is our thinnest tracker that can fit inside a wallet, has a range of up to 250 feet, and offers a non-replaceable battery with a lifespan of up to three years. The Tile Sticker is a small tracker with an adhesive backing that can be attached to other devices. The Tile Sticker has a range of up to 250 feet and offers a non-replaceable battery with a lifespan of up to three years.

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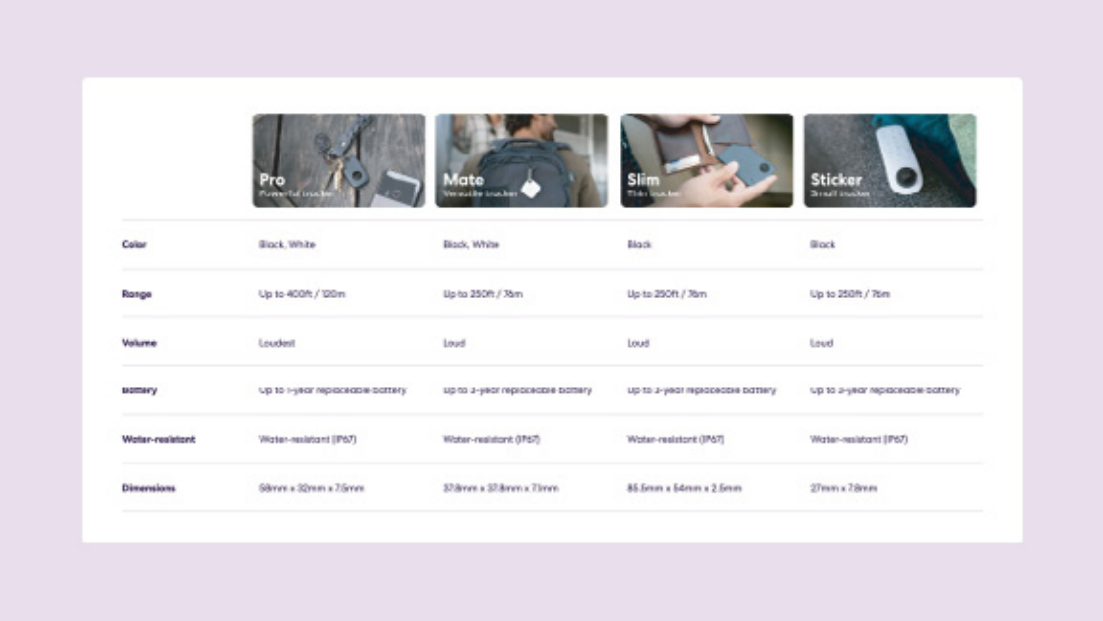

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Tile Subscription Options

Tile offers a free service as well as two paid subscription options: Premium and Premium Protect. The Premium subscription offers smart alerts to proactively notify a member who has left Tile devices behind, free battery replacements for Tile devices with replaceable batteries, a warranty for Tile devices with defects or accidental damage, unlimited location sharing, location history for the past 30 days and access to Tile's Premium customer care team. Premium is available for $2.99 per month or $29.99 per year. Premium Protect offers all the benefits of Premium, plus up to $1,000 item reimbursement per year and is available for $99.99 per year.

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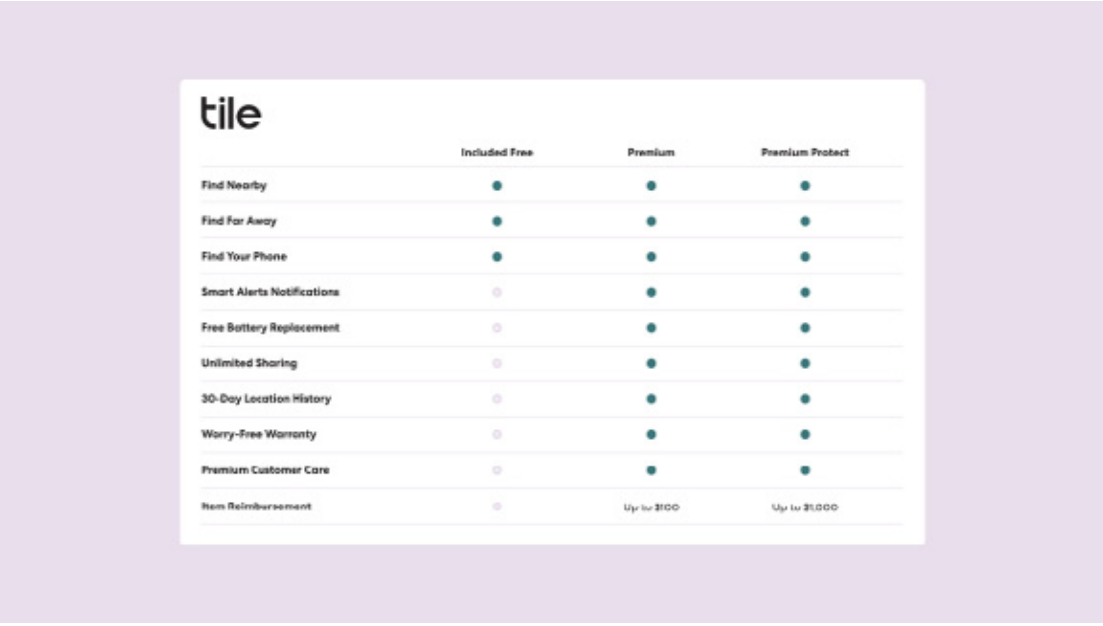

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Tile Partner Network

Tile works with over 30 partners, including Bose, HP, Skullcandy, and Dell and is embedded in over 50 partner products across audio, travel, wearables and personal computer categories.

Jiobit

Jiobit is a leading platform-agnostic wearable location device for young children, pets and seniors. Jiobit has developed and patented a new way to resolve location based on Bluetooth, Wi-Fi, and multiple GPS systems. We acquired Jiobit in September 2021 to create a comprehensive cross-platform solution.

Jiobit Product Line

Currently, Jiobit is offered exclusively in the United States. Customers purchase a Jiobit device at the current U.S. manufacturer's suggested retail price of $129.99 and a monthly subscription to access Jiobit location tracking services. The Jiobit device is built on a 5G-compatible, low-power network that is faster and more available in rural and previously low-coverage and dead-zone areas. Jiobit technology uses a combination of GPS, cellular, Wi-Fi and Bluetooth to ensure the device is always connected. The device comes with a rechargeable battery that can last a full week between charges for elder and children location sharing, and up to 20 days for use on pets. The device has a modular design to allow for multiple wearing options with a focus on discretion and secure attachment, weighing less than an AA battery and being smaller than a tea bag in size. The device is both slip and water resistant. Additional accessories and attachment options are available to meet specific member needs.

Jiobit Subscription Options

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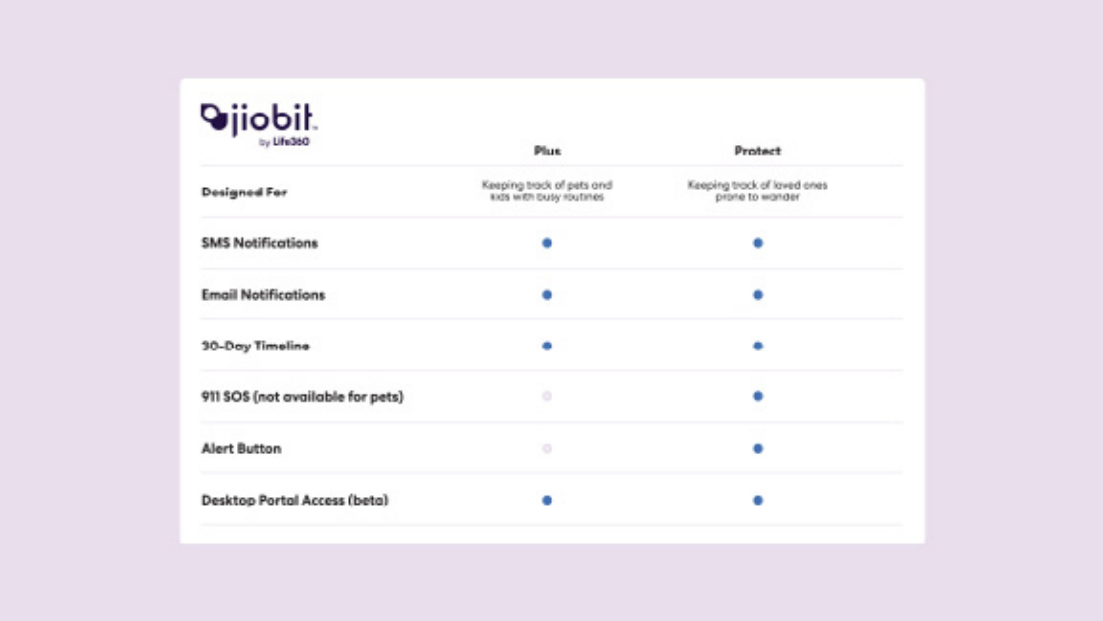

The Jiobit device requires a monthly subscription plan to stay connected to the Jiobit services. Subscription prices vary based on the duration of the contract and range from $8.99 per month with a two-year commitment to $14.99 per month with no commitment. Each monthly contract can be upgraded with a premium subscription add-on—Jiobit Plus and Jiobit Protect. The Plus subscription add-on offers (i) a 30-day timeline feature that stores 30 days of location history, SMS and email notifications in addition to push notifications and (ii) access to the Jiobit desktop portal to provide greater access to all Jiobit features and devices. The Protect subscription add-on offers all of the Plus subscription features and also includes (i) SOS notifications for emergency response to the location of a Jiobit device and (ii) alert button notifications which allow the device wearer to send help alerts to the Jiobit app. Each premium subscription add-on is available for $6.00 per month or $8.00 per month for Plus and Protect, respectively, which is in addition to a subscriber's monthly subscription for a total monthly contract price of between $16.99 and $20.99 with add-ons.

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Our Jiobit offering will be rebranded and integrated into our Tile operations to support our comprehensive cross-platform solution that enables location-based tracking of people, pets and things.

Our Technology Platform

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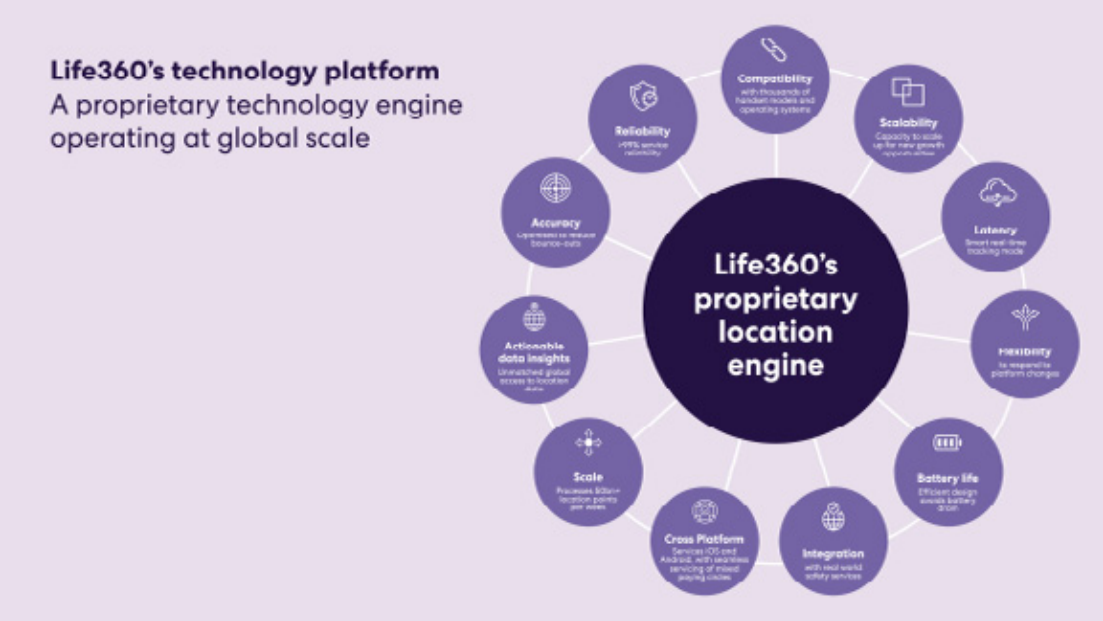

To help families stay connected and safe we have developed a scalable mobile-first technology platform that supports our business while protecting our operational integrity, security and performance. Technology is at the core of everything we do. We continuously invest in innovation and the integration of new features to drive our competitive advantage, and today, approximately 60% of our employees work in research and development. With over a decade of industry knowledge, we have built a strong advantage around our key technology tenets: accuracy, timeliness and battery life.

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Highlights of our technology platform include a robust location engine design, scalable and modern technology infrastructure, seamless third-party integration, reliable service and shared infrastructure across products and services.

Location Engine Design

Our location engine is at the core of the Life360 Platform. We have designed an end-to-end location technology solution that allows us to deliver real-time location-based experiences and includes functionality such as storage, processing and communication of events, locations, drives, maps, places, networking and visualization of device characteristics for people, pets and things. Our refined location engine provides high accuracy, increased consistency, low latency and long battery life. The Life360 Platform collects raw sensor data from all available sensors on a member's phone, including GPS, Wi-Fi, accelerometer, gyroscope and magnetometer and Bluetooth in various configurations, to optimize for reliability, accuracy, latency and power consumption. These optimizations are available for all of our major hardware platforms as well as the corresponding smartphone apps. Combined with our scalable backend architecture, this enables us to process billions of location-related activities daily from millions of devices worldwide and continuously improve our member services. The collected data is processed by our internal software to filter out low accuracy points and signals and is further clustered for use in our features and stored to provide long-term insights to each member.

Scalable and Modern Technology Infrastructure

We maintain a scalable, modern technology infrastructure which allows us to focus on running and scaling our Life360 Platform rather than building our own infrastructure. We primarily utilize Amazon Web Services ("AWS") for our backend platform and infrastructure to connect to our apps and custom hardware devices. We additionally use the Google Cloud Platform ("GCP") for some of our functionality. Using these services grants us access to a highly distributed, scalable, reliable and secure architecture for global delivery.

Third-Party Integration

To extend the features and functionality of our platform, we integrate third-party software into our products where applicable. We provide members with various safety and support services provided by third-party partners including: 24/7 emergency dispatch, roadside assistance, identity theft protection, medical and travel triage and planning assistance which includes disaster response services, security transportation services, medical assistance services, emergency travel support, travel assistance services and parental verification consent mechanisms.

Our platform seamlessly integrates with our partnership offerings with several Software-as-a-Service vendors. This enhances our offerings with capabilities and features such as contextual auto insurance ads, identity theft protection, data breach alerts, and voice service integrations. These integrations are done through a collection of application programming interfaces ("APIs") and are weaved into seamless experiences for customers. These APIs can be further extended to other third-party services for map overlays, insurance and automotive use cases through services such as notifications and account linking based on the product roadmap and market requirements. To ensure greater service reliability, we use a third-party information technology security and analytics firm to perform penetration testing services, simulate attacks on our networks, apps, devices and members, and identify the security level of our key systems and infrastructure. Additionally, we have testing and monitoring processes for software and infrastructure changes with structured releases of updates and containment barriers to enhance the quality of the Life360 Platform.
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Our newly acquired Tile product line will be able to share and take advantage of our extensive infrastructure to enhance its own offering once the initial integration is complete. Tile will leverage the established Life360 infrastructure by connecting its devices to the Life360 Platform, leading to increased reliability and accuracy. This integration will allow members and Circles to keep track of their things and connect with each other through one seamless Life360 Platform.
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Competition

Life360 is the market-leading safety platform, according to market share of the family safety and location sharing app market based on revenue, to locate the people, pets and things that matter most to families. See "Market and Industry Data" for more information on how we calculate market share. We were a pioneer in location sharing and have expanded our offerings to provide a comprehensive suite of safety services, delivered through a mobile-native, subscription-based offering.

Our competitors include both large competitors with various product and service offerings and smaller competitors, including (i) direct competitors with location sharing products that target family safety, (ii) competitors providing location sharing platforms that are not focused on family safety, (iii) competitors in the item tracking technology market and (iv) competitors that have, or may in the future have, overlapping offerings (for example, companies in industries related to roadside assistance and crash detection, identity theft protection, phone insurance and travel, disaster and medical assistance).

While our industry is becoming increasingly competitive both domestically and abroad, we believe that we will continue to compete successfully due to our leading market position, superior value proposition, brand recognition, ability to leverage our member base, our comprehensive suite of offerings and economies of scale. In addition, our data-driven insights on families' habits, needs and preferences enable us to continuously enhance our product offerings and improve the member experience, reinforcing our competitive differentiation.

We believe that our competitive position depends primarily on the following factors:

- our ability to continue to increase social and technological acceptance and adoption of location sharing and tracking products and digital subscription services;
- continued growth in internet access and smartphone adoption in certain regions of the world, particularly emerging markets;
- our ability to increase our organic growth through word-of-mouth;
- our ability to maintain the value and reputation of our brands;
- the scale, growth and engagement of our member community relative to those of our competitors;
- our ability to introduce new, and improve on existing, features, products and services in response to competition, member sentiment, online, market and industry trends, the ever-evolving technological landscape and the ever-changing regulatory landscape; and
- our ability to continue developing new monetization features and improving on existing features.

Go-to-Market Strategy

Life360's member base has historically grown primarily organically through word-of-mouth referral and virality from our Circle-based model. We continue to make investments in our go-to-market strategies to supplement our organic growth model and to enhance our service offerings to existing and new members. Key elements of our strategy include:

- ***Brand Marketing.*** We drive awareness of the Life360 Service via brand marketing, PR and organic social media efforts focused primarily on families with children ages 11 to 22. We reach our target audience via online and offline campaigns that drive press coverage, social sharing and more word-of-mouth. We primarily focus on high-reach channels like streaming TV, online video, Facebook, TikTok and online search. We recently invested in a brand refresh, allowing us to expand from location sharing, to add key dimensions of safety and family, such as crash detection, emergency response and identity theft protection. We believe that our products and services enable families to live life fully while staying connected and protected. In 2021, we created the Family Advisory Council to bring together well-known celebrities and influencers to help shape Life360's future product direction and marketing.

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- ***Freemium Model***. We invest heavily in the free member experience. Our Life360 Platform operates under a freemium model in which our app is available to members at no charge, while Premium Memberships with additional features are available via paid subscriptions. This model has allowed us to scale to over 38 million MAUs on the Life360 Platform as of March 31, 2022. The Life360 app is available for download in more than 170 countries through the Apple App Store and more than 130 countries through the Google Play Store as of March 31, 2022, creating a massive base of members who help to provide word-of-mouth referrals and drive virality for our product. This viral model of members joining our freemium offering and introducing and inviting new members lowers our customer acquisition costs. Further, the data and insights generated by our large member base enable us to drive targeted product enhancements that strengthen our competitive advantage.

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- ***Paid Acquisition***. We complement and accelerate our organic member acquisition with strategic and targeted paid marketing spend. Our paid acquisition strategy is focused on targeting high quality member segments via streaming TV, mobile, paid social, and paid search marketing. We continue to test into and launch new and creative marketing channels to further scale spend and drive efficiencies. We use our paid acquisition on a limited basis and are not reliant on it for our member growth. Additionally, our paid marketing also leads to organic growth, due to the viral nature of our product.
- ***Geographic Expansion***. In markets where our organic awareness is relatively low and opportunity for growth is strong, we plan to hire experienced local marketing managers and engage in localized social

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media and influencer-led campaigns, app store optimization, and paid advertising to generate interest in our products and drive new member growth. With the membership model now operating successfully in the U.S. market, we are looking to drive international expansion. The Life360 app is available for download in over 170 countries through the Apple App store and over 130 countries through the Google Play Store and the Life360 app is available in 14 languages as of March 31, 2022. In December 2021, we launched the first full-service membership offering of the Life360 Platform outside of the United States in Canada with stated plans to continue this rollout in other markets such as the UK, Australia and Europe.
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Employees and Culture

Life360's core values are designed to create a culture that supports our vision of an ambitious, professionally driven organization that can simplify safety so families can live fully:

- ***Think Long-Term***. We make strategic decisions focused on the long-term growth of our company and employees.
- ***Take Ownership***. We focus on outcomes over output and look for high-agency people that make things happen.
- ***Quality and Craftsmanship***. We train our employees with a focus on quality and on doing things the right way. Lives depend on it.
- ***Communicate Directly***. We resist the urge to avoid discomfort and intentionally lean into tough conversations.
- ***Be a Good Person***. We foster an environment that promotes respect for one another and maintain a high sense of integrity.

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As of March 31, 2022, we had approximately 400 full-time employees, the majority of whom have the flexibility to work remotely or out of our San Francisco, San Diego, San Mateo and Chicago offices. Life360 aims to provide a work environment in which all its people can excel regardless of race, religion, age, disability, gender, sexual preference or marital status. The company's Diversity Policy reflects a strong commitment to diversity, and a recognition of the value of attracting people with different backgrounds, knowledge, experience and abilities. We believe that diversity contributes to our business success, and benefits all of our stakeholders. As of March 31, 2022, approximately 36% of Life360 employees were female and 52% were people of color. We are committed to implementing further initiatives to increase the diversity of our workforce.
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We view the quality of our products and services as our key long-term strategic differentiator, and as such, we are committed to providing continuous learning and development opportunities for our people. We provide peer training, including our standing Thursday "deep-dives" where our people can learn from the expertise of their colleagues. We also provide full day and full week-long courses in "best practices" and broad and specialist business training to further promote personal and professional growth.

Environmental, Social and Corporate Governance

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During 2021, we progressed our environmental, social and governance ("ESG") initiatives, including the development of an ESG Policy to reflect our commitments to the communities we serve. We advanced our environmental commitments by achieving carbon neutrality across Scope 1, 2 and 3 emissions (as defined below) for 2020. Our core mission is the social good of simplifying safety for families through ESG initiatives based on four key areas: people, environment, community and governance.

People

We believe that different ideas, perspectives and backgrounds create a stronger and more creative work environment that delivers better results. Together, we continue to build an inclusive culture that encourages, supports, and celebrates the diverse voices of our employees. This fuels our innovation and connects us closer to our customers and the communities we serve. We strive to create a workplace that reflects the communities we serve and where everyone feels empowered to bring their authentic best selves to work. Our workplace culture is supported by a range of policies adopted by our Board that reflect our beliefs, including a Diversity Policy, Anti-Bribery and Corruption Policy, Whistleblowing Policy and Modern Slavery Statement.

Environment

We recognize that climate change will have an increasingly significant impact on all aspects of society. In 2021 we committed to quantifying the environmental footprint of our business operations by measuring the following emissions: direct greenhouse emissions that occur from sources that are controlled or owned by us ("Scope 1 emissions"), indirect greenhouse emissions associated with the purchase of electricity, steam, heat or cooling ("Scope 2 emissions") and results of activities from assets not owned or controlled by us, but that indirectly impact in our value chain ("Scope 3 emissions"). By quantifying our impact, we will be able to implement an emission reduction plan that targets the greatest contributors to our carbon footprint.

We achieved a carbon neutral status for the 2020 calendar year by purchasing EcoAustralia credits that blend InfraVest Guanyin Wind carbon credits with Mount Sandy Conservation biodiversity protection units. By purchasing EcoAustralia credits, we neutralize our emissions and promote conservation partnerships between traditional landowners and non-indigenous Australians.

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During 2021, Life360's Scope 1 and 2 emissions increased due to growth in headcount. Scope 3 emissions increased as a result of the increased costs of professional services associated with the acquisitions of Jiobit and Tile. Emissions per full-time equivalent decreased from 25.60 tCO2e in 2020 to 21.61 tCO2e in 2021.

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Community

We aim to simplify safety so families can live fully. Our products and services deliver peace of mind and safety in the online and physical worlds. Additionally, we engage in community outreach by supporting and matching employee contributions to three non-profit organizations committed to supporting families: Wine to Water, the American Society for the Prevention of Cruelty to Animals and the Ronald McDonald House.

Governance

We are committed to robust governance frameworks and responsible business practices to ensure the financial sustainability of the company for all stakeholders including shareholders, employees, customers and suppliers. We have established a disciplined process to identify, assess and analyze risk, and ensure appropriate risk monitoring and reporting. We do not believe that we have any material exposure to economic, environmental and social sustainability risks.

Our ESG report is available at https://investors.life360.com/investor-relations, which is provided for reference only and is not incorporated by reference into this Registration Statement.

Research and Development

We invest substantial resources in research and development to enhance our customer offerings and competitiveness. We are passionate about developing innovative products and services that keep our families safe and connected. We pay careful attention to the overall member experience which lies at the intersection of technology, design and compelling use cases.

Our global research and development team supports the design and development of our location sharing services, mobile app development, web development, firmware development, platform software development, site reliability engineering, hardware engineering, test engineering and data science and analytics. The Life360 research and development team is primarily based at our headquarters in San Francisco, California, as well as several other worldwide locations with the flexibility to work remotely. The Tile research and development team is primarily based in San Mateo, California.
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Our research and development team had over 362 employees and contractors as of March 31, 2022. Our research and development expenses were $25.7 million and $10.7 million for the three months ended March 31, 2022 and 2021, respectively. Our research and development expenses were $51.0 million and $39.6 million for the years ended December 31, 2021 and 2020, respectively. We intend to continue to significantly invest in research and development to bring new customer experiences and devices to market and expand our platform and capabilities.
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Manufacturing, Logistics and Fulfillment

We outsource the manufacturing of our Tile and Jiobit products to our contract manufacturer, Jabil, Inc. (“Jabil”), located in Asia. Jabil has been designated the sole contract manufacturer for Tile and primary manufacturer for Jiobit since the inception of both companies. Jiobit utilizes additional contract manufacturers for additional accessory production. To continue to provide our members with quality technology, our supply chain teams in the United States and Asia coordinate the relationships between our contract manufacturer and suppliers. In order to mitigate risks associated with a single supply source, and to ensure we can scale our manufacturing base as we continue to expand, we routinely evaluate new partners, manufacturers and suppliers.
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Tile entered into a manufacturing agreement with Jabil on March 8, 2017, for an initial term of five years. Under our agreement with Jabil, Jabil manufactures our products using design specifications, quality assurance programs, and standards that we establish. We additionally grant Jabil a non-exclusive, royalty-free, non-
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transferable right and license to use certain Tile intellectual property as it relates to Jabil's obligations under the agreement. We pay for and own the majority of tooling and other equipment specifically required to manufacture our products. We have purchase commitments based on our purchase orders and demand forecasts for certain amounts of finished goods, works-in-progress, and components purchased in order to support such purchase orders and forecasts. Under the terms of the agreement, the agreement may be terminated (i) by mutual written consent, (ii) by advanced written notice from either party, (iii) for cause by either party after written notice of a material breach and failure by the other party to cure such breach within thirty days or (iv) immediately upon written notice by either party upon the bankruptcy or insolvency of the other party.

Our agreement with Jabil expired in March 2022. We are currently in the process of renewing our agreement. Jabil has provided us with written confirmation of its intention to continue our relationship on the same terms as our original manufacturing agreement, and to enter into a new agreement with us on similar terms.
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We also work with third-party fulfillment partners that package and deliver our products to multiple locations worldwide, which allows us to reduce order fulfillment time and shipping costs, as well as improve inventory flexibility. Our partner relationships help us maintain access to the resources needed to scale seasonally.

Intellectual Property

Intellectual property is an integral aspect of our business, and we seek protection for our intellectual property and technological innovations as appropriate. We rely upon a combination of federal, state, and common-law rights in the United States and the rights under the laws of other countries, patents, trademarks, copyrights, domain name, trade secrets, including know-how, license agreements, confidentiality procedures, nondisclosure agreements with third parties, employee confidentiality, and proprietary rights agreements, and other contractual rights, to establish and protect our proprietary rights.

We have developed and acquired patent assets to protect our proprietary technology. As of March 31, 2022, we owned approximately 174 U.S. utility patents, 29 U.S. design patents, 42 pending U.S. utility patent applications, eight pending U.S. design applications, 45 foreign patents, 17 pending foreign patent applications and four pending Patent Cooperation Treaty (PCT) applications. Individual patents have terms for varying periods depending on the date of filing of the patent application or the date of patent issuance and the legal term of patents in the countries in which they are obtained. Generally, utility patents issued for applications filed in the United States, and in many foreign countries, are granted a term of 20 years from the earliest effective filing date of a non-provisional patent application (14 or 15 years from the date of grant for U.S. design patents) provided their registrations are properly maintained. We continually review our development efforts to assess the existence and patentability of new intellectual property. We also pursue the registration of certain of our domain names and trademarks and service marks in the United States and in certain locations outside the United States. Notwithstanding these efforts, there can be no assurance that we will adequately protect our intellectual property or that it will provide any competitive advantage. Further, in some foreign countries, the mechanisms to establish and enforce intellectual property rights may be inadequate to protect our technology. To protect our brand, as of March 31, 2022, we owned a trademark portfolio comprising U.S. registered trademarks including our primary mark "Life360" and various versions of the Life360 logo, in addition to other Life360 word marks and logos, as well as registered and pending trademarks for our "Tile" and "Jiobit" marks in the United States and certain foreign jurisdictions. Trademark registrations can generally be renewed as long as the marks are in use. We also enter into, and rely on, confidentiality and proprietary rights agreements with our employees, consultants, contractors and business partners to protect our trade secrets, proprietary technology and other confidential information. We further protect the use of our proprietary technology and intellectual property through provisions in both our customer terms of use on our website and in our vendor terms and conditions. For information regarding risks related to our intellectual property, please see "Risk Factors—Risks Related to Our Technology and Intellectual Property."

Seasonality

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Life360 has historically experienced member and subscription growth seasonality in the third quarter of each calendar year, which includes the return to school for many of our members. Tile has historically experienced revenue seasonality in the fourth quarter of each calendar year, which includes the important selling periods in November (Black Friday and Cyber Monday) and December (Christmas and Hanukkah) in large part due to seasonal holiday demand. For example, during Tile's fiscal years ended March 31, 2021 and March 31, 2020, the third quarters accounted for 48% and 39% of Tile's total revenue, respectively. In the three months ended December 31, 2021 and 2020, Tile generated approximately 31% and 28%, respectively, of our fiscal year total revenue. Accordingly, an unexpected decrease in sales over those traditionally high-volume selling periods may impact our revenue, result in surplus inventory and have a disproportionate effect on our operating results for the entire fiscal year. Seasonality in our business can also be affected by introductions of new or enhanced products and services, including the costs associated with such introductions.

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Facilities

Our company is headquartered in San Francisco, California and maintains offices in San Mateo and San Diego, California and Chicago, Illinois. All of our facilities are leased. Our headquarters facility currently accommodates our principal, development, engineering, marketing and administrative activities. Our offices in San Mateo, San Diego and Chicago generally accommodate principal, development, engineering, marketing and administrative activities. Beginning in 2020 at the start of the COVID-19 pandemic, we began operating as a remote-first company with plans to continue as such indefinitely. We believe that our current facilities are adequate to meet our current needs and that, should it be needed, suitable additional or alternative space will be available to accommodate our operations.

Legal Proceedings

From time to time, we may be involved in legal proceedings, claims and government investigations in the ordinary course of business. We have received, and may in the future continue to receive, inquiries from regulators regarding our compliance with law and regulations, including those related to data privacy and consumer rights, and due to the nature of our business and the rapidly evolving landscape of laws relating to data privacy, cybersecurity, consumer protection and data use and sharing, we expect to continue to be the subject of regulatory investigations and inquiries in the future. We have received, and may in the future continue to receive, claims from third parties relating to information or content that is published or made available on our platform, among other types of claims including those relating to, among other things, regulatory matters, commercial matters, intellectual property, competition, tax, employment, pricing, discrimination, and consumer rights. Future litigation may be necessary to defend ourselves, our partners, and our customers by determining the scope, enforceability, and validity of these claims. The results of any current or future regulatory inquiry or litigation cannot be predicted with certainty, and regardless of the outcome, such investigations and litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, the potential for enforcement orders or settlements to impose operational restrictions or obligations on our business practices and other factors.

For additional information, see the section entitled "Risk Factors—Risks Related to Legal Matters and Our Regulatory Environment."

Government Regulation

Our company is subject to many U.S. federal and state and foreign laws and regulations that involve matters central to our business. These include laws and regulations that relate to data privacy, data security, intellectual property (including copyright and patent laws), content regulation, rights of publicity, advertising, marketing, competition, protection of children and minors, consumer protection, payment processing, subscription services, taxation, health and safety, employment and labor and telecommunications. These laws and regulations are

constantly evolving and being tested in courts and by regulators and may be interpreted, applied, created, or amended, in a manner that could harm our business. Additionally, the application and interpretation of these laws and regulations are often uncertain, especially in new or rapidly evolving industries, and could be interpreted and applied in a manner that is inconsistent from country to country or state to state and inconsistent with our current policies and practices and in ways that could harm our business.

Additionally, our service providers are also subject to domestic and international laws and regulations. Our business depends on certain products and services, including those delivered via internet, from these third parties. The uncertainty in the regulations and interpretation and application of such regulations in the third-party industries may result in an increase in our own expenses or adversely affect our business.

The costs of complying with U.S. and foreign laws and regulations, which in some cases can be enforced by private parties in addition to government entities, are high and likely to increase in the future, particularly as the degree of regulation increases, our business grows, and our geographic scope and data processing activities expand. Furthermore, the impact of these laws and regulations may disproportionately affect our business in comparison to our peers in the technology sector that have greater resources. It is imperative that we secure the assets, functionality, materials and member data that are critical to our business. Any failure on our part to comply with these laws and regulations may subject us to significant liabilities or penalties, or otherwise adversely affect our business, financial condition or operating results. Further, it is possible that certain governments may seek to block or limit our products or otherwise impose other restrictions that may affect the accessibility or usability of any or all our products for an extended period of time or indefinitely.

For additional information, see the section entitled "Risk Factors—Risks Related to Legal Matters and Our Regulatory Environment."

Government Regulation of Data Privacy and Security

We collect, receive, process, store, use, and share data, some of which contains personal information, to create online accounts, process payments and subscription renewals, complete e-commerce transactions and ensure we can provide optimal services to our member base. We are therefore subject to a number of U.S. federal, state, local, and foreign laws and regulations regarding data privacy and the collection, storage, sharing, sale, use, processing, disclosure and protection of personal information and other data from users, employees or business partners, and these laws and regulations are continually evolving. While our compliance efforts continue to adapt to the rapidly-changing regulatory landscape, we currently, and from time to time, may not be in technical compliance with all such laws, rules and regulations. Moreover, we collect personal information that may be considered to be particularly sensitive and high risk by regulators, including precise geolocation data, biometric information and the personal information of children and minors under age 16 and their devices, and such data is subject to additional or enhanced requirements and obligations. Similarly, some of our processing of personal information, including our marketing practices, are subject to additional legal, regulatory and self-regulatory obligations in certain jurisdictions.

The regulatory framework for data privacy and data security is evolving rapidly, both domestically and internationally. Current or future legislation in the United States and other jurisdictions in which we have members, or new interpretations of existing laws and regulations, could significantly restrict or impose conditions on our ability to collect, store, augment, analyze, use, sell and share data or increase consumer notice or consent requirements before a company can sell or disclose data to third parties and/or utilize advertising technologies. In the United States, California, Colorado, Virginia, and Utah have enacted considerable laws and regulations relating to data protection and consumer privacy. The California Consumer Privacy Act ("CCPA") went into effect which requires covered companies to provide new disclosures to California consumers, increased transparency in the use and distribution of personal information and additional "opt-out" options regarding the sale of personal information. Additionally, California voters recently approved the California Privacy Rights Act ("CPRA"), effective January 2023, which adds additional protections to the CCPA regarding the use and sale of personal information. The CPRA also creates a new state agency with the authority to enforce the CCPA and

CPRA. The Virginia Consumer Data Protection Act ("VCDPA"), the Colorado Data Privacy Act ("CDPA"), and the Utah Consumer Privacy Act ("UCAP") will go into effect in 2023 and will impose obligations similar to or more stringent than those we face under existing data privacy laws. The CPRA, VCDPA, CDPA, and UCAP all introduce new and additional compliance obligations with respect to the collection and use of "sensitive" personal information, including precise geolocation data. As these laws were recently enacted and will likely be subject to additional regulations to be promulgated in the future, their enforcement and interpretations remain unclear. Furthermore, in Europe and the European Economic Area, the General Data Protection Regulation ("EU GDPR") and applicable national supplementing laws, and in the UK, the UK General Data Protection Regulation ("UK GDPR") and UK Data Protection Act 2018, apply to our collection, control, processing, sharing, disclosure and use of personal data. The EU GDPR and UK GDPR impose strict data protection compliance regimes and include significant penalties for non-compliance (as below). Moreover, several other jurisdictions globally have established data protection legal frameworks that contain similar obligations to the EU GDPR and UK GDPR, including Brazil, China, Japan, Canada, Israel, and others.

We have many members and subscribers who access and/or pay for our services from outside the United States. Foreign data privacy, data security, e-commerce, consumer protection, content regulation and other laws and regulations are often more restrictive or burdensome than those in the United States, and those governments may attempt to apply such laws extraterritorially or through treaties or other arrangements with U.S. governmental entities. We might unintentionally violate such laws, such laws may be modified, and new laws may be enacted in the future, which may increase the chance that we violate them unintentionally. Any such developments, or the failure to accurately anticipate the application or interpretation of these laws could create liability to us, result in adverse publicity and adversely affect our business. For example, the EU GDPR and the UK GDPR impose strict data protection compliance requirements including: maintaining a record of data processing; providing detailed disclosures about how personal data is collected and processed (in a concise, intelligible and easily accessible form); obtaining consent or relying on an alternative legal basis to justify data processing activities, including, for example, with respect to processing geolocation data and children's data for marketing and other purposes; conducting data privacy impact assessments where processing is likely to result in a high risk to the rights and freedoms of individuals (including children); complying with specific obligations, including statutory codes of practice, regarding the collection and use of personal data relating to children such as regarding default privacy settings; ensuring appropriate safeguards are in place where personal data is transferred out of the European Economic Area ("EEA") and the UK; complying with rights for data subjects in regard to their personal data (including data access, erasure and portability); notifying data protection regulators, and in certain cases, affected individuals, of significant data breaches; and complying with the principle of accountability and the obligation to demonstrate compliance through policies, procedures, training and audit. Since we have users located in both the EEA and the UK, if a violation is found, we may be fined under both the EU GDPR and UK GDPR for the same breach. Penalties for certain breaches are up to the greater of EUR 20 million or 4% of total global annual turnover under the EU GDPR, and GBP 17.5 million or 4% total global annual turnover under the UK GDPR. In addition to the foregoing, a breach of the EU GDPR or UK GDPR may result in regulatory investigations, reputational damage, orders to cease/ change our processing of personal data, enforcement notices, assessment notices for a compulsory audit and/or litigation (including class actions).

Recent legal developments have created complexity and uncertainty regarding EEA and UK personal data exports, including specifically to the United States. On July 16, 2020, the Court of Justice of the European Union (the "CJEU") invalidated the EU-U.S. Privacy Shield Framework, or Privacy Shield, under which personal data could be transferred from the EEA (and UK) to U.S. entities who had self-certified under the Privacy Shield scheme. While the CJEU upheld the adequacy of the standard contractual clauses (a standard form of contract approved by the EU Commission as an adequate personal data transfer mechanism and potential alternative to the Privacy Shield), it made clear that reliance on them alone may not necessarily be sufficient in all circumstances and transfers must be assessed on a case by case basis. U.S. and EU officials are actively seeking a solution to replace the personal data transfer mechanism struck down by the CJEU. On March 25, 2022, the U.S. and the European Commission committed to a new so-called Trans-Atlantic Data Privacy Framework to enable trans-Atlantic data flows and address the concerns raised by the CJEU in its July 2020 ruling. There is no clear

timeline for the enactment of this new framework. Moreover, once enacted the new framework is likely to be subject to legal challenges and may be struck down by the CJEU.

We are also subject to evolving EU and UK privacy laws on cookies, tracking technologies and e-marketing. Recent European court and regulator decisions are driving increased attention to cookies and similar tracking technologies and compliance with EU and UK national laws that implement the European Directive 2002/58/EC (the "ePrivacy Directive"). Informed consent is required for the placement of certain cookies or similar tracking technologies that store information on, or access information stored on, an individual's device and for direct electronic marketing. Consent is tightly defined and includes prohibition on pre-checked consents and a requirement to obtain separate consents for each type of cookie or similar technology. The ePrivacy Directive is expected to be replaced by an EU regulation known as the ePrivacy Regulation that will significantly increase fines for non-compliance, potentially to GDPR-level fines (see above).

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Additionally, a variety of laws and regulations relating to children's privacy have been adopted in recent years, including the Children's Online Privacy Protection Act ("COPPA"), Article 8 of the EU GDPR and the UK GDPR, the CCPA and the UK's Age Appropriate Design Code and similar Codes in other jurisdictions. COPPA applies to operators of commercial websites and online services directed to U.S. children under the age of 13 that collect personal information from children and operators of general audience sites with actual knowledge that they are collecting information from U.S. children under the age of 13. Penalties for violations of COPPA may include injunctive relief, civil penalties, and consumer redress. In addition, a state attorney general may bring a civil action for COPPA violations, seeking relief that may include injunctive relief, enforced compliance, damages, restitution or other compensation, or other appropriate relief. The CPRA, VCDPA, CDPA, and UCAP also impose compliance obligations regarding the collection and use of personal information relating to children under the age of 16.

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For additional information, see the section entitled "Risk Factors—Risks Related to Privacy and Cybersecurity."

ITEM 1A. RISK FACTORS.

Our business is subject to numerous risks and uncertainties. These risks and uncertainties may cause our operations to vary materially from those contemplated by our forward-looking statements. These risk factors include:

Risk Factors Summary

- If we fail to retain existing members or add new members, or if our members decrease their level of engagement with our products or do not convert to paying subscribers, our revenue, financial results, and business may be significantly harmed.
- If we fail to monetize members through subscription plans, our business, financial condition and results of operations may be harmed.

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- If we are not able to maintain the value and reputation of our brands, our ability to expand our member base and maintain our relationships with partners and other key service providers may be impaired and our business, financial condition, and results of operations may be harmed.
- The digital consumer subscription products market is competitive, with low switching costs and a consistent stream of new products, services and entrants. We may not be able to compete successfully with current or future competitors, which may impact our business, financial condition and results of operations.
- Our success depends, in part, on our ability to access, collect, use, share, disclose, monetize and otherwise process personal information about our members and to comply with applicable data privacy and security laws, both domestically and worldwide.

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- We may need to change our pricing models to compete successfully.
- The market for our offerings is evolving, and our future success depends on the growth of this market and our ability to anticipate and satisfy consumer preferences in a timely manner.
- Changes to our existing brands, products and services, or the introduction of new brands, products or services, could fail to attract or retain members or generate revenue and profits.

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- Unfavorable media coverage and publicity could damage our brands and reputation and materially adversely affect our business, financial condition and results of operations.

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- Inappropriate actions by certain of our members could be attributed to us and cause damage to our brands.
- Our business could be harmed if we are unable to accurately forecast demand for our products and to adequately manage our product inventory.
- Our growth and profitability rely, in part, on our ability to attract members through cost-effective marketing efforts. Any failure in these efforts could materially adversely affect our business, financial condition and results of operations.
- Distribution and marketing of, and access to, our products and services depends, in significant part, on a variety of third-party publishers and platforms. If these third parties change their policies in such a way that restricts our business, increases our expenses or limits, prohibits or otherwise interferes with or changes the terms of the distribution, use or marketing of our products and services in any material way or affects our ability to collect revenue, our business, financial condition and results of operations may be adversely affected.
- We depend on retailers and distributors to sell and market our products, and our failure to maintain and further develop our sales channels could harm our business.
- We rely on a limited number of suppliers, manufacturers, and fulfillment partners for our smart trackers. A loss of any of these partners could negatively affect our business.

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- We have limited control over our suppliers, manufacturers, fulfillment partners and inflation in costs, which may subject us to significant risks, including the potential inability to produce or obtain quality products and services on a timely basis or in sufficient quantity.
- Our primary manufacturer's facilities are located in the PRC and Malaysia. Uncertainties with respect to the legal system of the PRC, including uncertainties regarding the enforcement of laws, and sudden or unexpected changes in policies, laws and regulations in the PRC could materially adversely affect us. Disruption in the supply chain from Malaysia could also adversely affect our business.

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- Our apps are currently available for download internationally and in the future we expect to penetrate additional international regions, including certain markets and regions in which we have limited experience, which subjects us to a number of additional risks.

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- An economic downturn or economic uncertainty may adversely affect consumer discretionary spending and demand for our products and services.
- If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our results of operations could be adversely affected.

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- We are subject to laws and regulations concerning data privacy, security, consumer protection, advertising, tracking, targeting and children's privacy protections, and these laws and regulations are continually evolving. Our actual or perceived failure to comply with these laws and regulations could result in regulatory investigations, claims (including class action or similar lawsuits), monetary penalties, changes to our business practices, reputational damage, increased cost of operations, or declines in user growth or engagement, or otherwise materially and adversely harm our business, financial condition and results of operations.
- Our business involves the collection and processing of different categories of personal information and data, including precise geolocation data, biometric data, and personal data of children and minors, which is considered to be particularly sensitive and high risk by regulators. The processing of this data could subject us to increased risk of regulatory investigations, litigation, media scrutiny and negative public relations, which could result in regulatory enforcement actions, claims (including class action or similar lawsuits), monetary penalties, changes to our business practices, reputational damage, increased cost of operations, or declines in user growth or engagement, or otherwise materially and adversely harm our business, financial condition and results of operations.
- Providers of online websites, applications and services are subject to various laws, regulations and other requirements relating to unfair and deceptive practices, the protection of minors, stalking and surveillance, and notice and consent obligations (for example in connection with subscriptions and autorenewal payment terms, communications and advertising through email, telephonic calls or text messages), which if violated, could subject us to an increased risk of litigation and regulatory actions.
- We are at present, and have been in the past, subject to regulatory inquiries relating to our business practices, including those related to data processing activities, and we expect to continue to be subject to such proceedings in the future, which could cause us to incur substantial costs or require us to change our business practices in a manner materially adverse to our business, financial condition and results of operations.
- Our success depends, in part, on the integrity of our information technology systems and infrastructures and on our ability to enhance, expand and adapt these systems and infrastructures in a timely and cost-effective manner.
- Our business is subject to complex and evolving U.S. and international laws and regulations. Many of these laws and regulations are subject to change and uncertain interpretation, and failure to comply with such laws and regulations could result in claims, regulatory investigations, changes to our business practices, monetary penalties, increased cost of operations, reputational damage, or declines in user growth or engagement, or otherwise harm our business, financial condition and results of operations.

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Risks Related to Our Business

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If we fail to retain existing members or add new members, or if our members decrease their level of engagement with our products and services or do not convert to paying subscribers, our revenue, business, financial condition and results of operations may be significantly harmed.

Our business model is predicated on building a large critical mass of members and monetizing them directly through subscription-based products and services we build ourselves, and indirectly by allowing third parties to derive value from our members. Our financial performance has been and will continue to be significantly determined by our success in adding, retaining and engaging our members and converting members into paying subscribers. We expect that the size of our member base will fluctuate or decline in one or more markets from time to time. If people do not perceive our products and services to be useful, effective, reliable, and/or trustworthy, we may not be able to attract or retain members or otherwise maintain or increase the frequency and duration of their engagement or the percentage of members that are converted into paying subscribers. There is no guarantee that we will not experience an erosion of our member base or engagement levels. Member engagement can be difficult to measure, particularly as we introduce new and different products and services. Any number of factors can negatively affect member retention, growth, engagement and conversion, including the following, among others:

- members increasingly engage with other competitive products or services;
- member behavior on any of our apps or with respect to any of our products or services changes, including decreases in the frequency of their use;
- members lose confidence in the quality or usefulness of our products or services or have concerns related to safety, security, privacy, well-being or other factors;
- subscribers are no longer willing to pay for subscriptions or in-app hardware purchases;
- members feel that their experience is diminished as a result of the decisions we make with respect to the frequency, prominence, format, size and quality of ads that we display;
- member experience is affected due to difficulty installing, updating or otherwise accessing our products and services on mobile devices or hardware as a result of actions or unplanned network or site outages by us or third parties that we rely on to distribute our products and deliver our services;
- we fail to introduce new features, products or services that members find engaging, or if we introduce new products or services, or make changes to existing products and services that are not favorably received;
- we fail to keep pace with evolving online, mobile device, market and industry trends (including the introduction of new and enhanced digital services), as well as prevailing social, cultural or political preferences in the markets in which our apps are available for download;
- initiatives designed to attract and retain members and increase engagement are unsuccessful or discontinued, whether as a result of actions by us, third parties or otherwise;
- third-party initiatives that may enable greater use of our products and services, including low-cost or discounted data plans, are discontinued;
- we, our partners or companies in our industry adopt terms, policies, procedures or practices that are perceived negatively by our members or the general public, including those related to areas such as member data, including practices involving our collection and sharing of precise geolocation data and information collected from children and minors under age 16 and their devices, privacy, security, or advertising;
- we fail to detect or combat inappropriate, fraudulent, criminal or abusive activity on our platform;
- we fail to provide adequate customer service to members, marketers or other partners;
- we fail to protect our brands or reputation;

- we, our partners or companies in our industry are the subject of regulatory investigation and/or rulings of non-compliance, litigation, adverse media reports or other negative publicity, including as a result of our or their member data practices, such as the collection and sharing of precise geolocation data and/or information collected from children and minors under age 16 and their devices;
- there is decreased engagement with our products and services as a result of internet shutdowns or other actions by governments that affect the accessibility of our products and services in any of our markets; or
- there are changes mandated or necessitated by legislation, regulatory authorities or litigation that adversely affect our products, services, members or partners.

From time to time, certain of these factors have negatively affected member retention, growth, and engagement to varying degrees. If we are unable to maintain or increase our member base and member engagement, our revenue, business, financial condition and results of operations may be materially adversely affected. In addition, we may not experience rapid member growth or engagement in countries where, even though mobile device penetration is high, due to the lack of sufficient cellular-based data networks, consumers rely heavily on Wi-Fi and may not access our products and services regularly throughout the day. Any decrease in member retention, growth or engagement could render our products and services less attractive to members, which is likely to have a material and adverse impact on our revenue, financial condition, business and results of operations. If our member growth rate slows or declines, we will become increasingly dependent on our ability to maintain or increase levels of member engagement and monetization in order to drive revenue growth.

If we fail to monetize members through subscription plans, our business, financial condition and results of operations may be harmed.
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Life360 operates under a "freemium" model in which the Life360 app is available to members at no charge, while Premium Memberships with additional features are available via a paid monthly or annual subscription. As of March 31, 2022, we have over 25 million U.S. MAUs on the Life360 Platform and 14% of our U.S MAUs were in Paying Circles. Our Premium Memberships accounted for over 75% and 65% of our revenue for the three months ended March 31, 2022 and 2021, respectively, and over 77% and 72% of our revenue for the years ended December 31, 2021 and 2020, respectively. Tile has sold over 50 million Tile devices since its inception and had over 478,400 total subscribers for the year ended December 31, 2021. As of March 31, 2022 and as of December 31, 2021, Tile's subscription offerings accounted for approximately 8% of our revenue and over 8% of our revenue on a pro forma basis, respectively. Actual or perceived reduction in the functionality, quality, reliability and cost-effectiveness of our subscription plans could impact our ability to retain and grow paid subscriptions, and failure to provide successful enhancements and new features that grow paid subscriptions may have a material adverse impact on our business, financial condition and results of operations.

If we are not able to maintain the value and reputation of our brands, our ability to expand our member base and maintain our relationships with partners and other key service providers may be impaired and our business, financial condition, and results of operations may be harmed.
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We believe that our brands have significantly contributed to our word-of-mouth virality, which has in turn contributed to the success of our business. We also believe that maintaining, protecting and enhancing our brands is critical to expanding our member base and maintaining our relationships with partners and other key service providers that will assist in successfully implementing our business strategy which we anticipate will increase our expenses. If we fail to do so, our business, financial condition and results of operations could be materially adversely affected. We believe that the importance of brand recognition will continue to increase, as the location- based services and item tracking markets grow. Many of our new members are referred by existing members. Maintaining our brands will depend largely on our ability to continue to provide useful, reliable, trustworthy and innovative products and services, which we may not do successfully.

Further, we have in the past and expect to continue to experience media, legislative, or regulatory scrutiny of our actions or decisions, including those relating to member privacy, data privacy and security, consumer protection, tracking, targeting children's data and privacy protections, precise geolocation data, encryption, content, contributors, advertising and other issues, which may materially adversely affect our reputation and brands. We may be subject to settlements, judgments, fines, or other monetary penalties in connection with legal and regulatory developments that may be material to our business. In addition, we may fail to timely detect or respond expeditiously or appropriately to objectionable content within the Life360, Tile or Jiobit apps or practices by members, or to otherwise address member concerns, which could erode confidence in our brands. Maintaining and enhancing our brands will require us to make substantial investments and these investments may not be successful.
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The digital consumer subscription products market is competitive, with low switching costs and a consistent stream of new products, services and entrants. We may not be able to compete successfully with current or future competitors, which may impact our business, financial condition and results of operations.

The digital consumer subscription products market in general, and the markets for family safety, location sharing, location tracking and related offerings, are fast-paced and constantly changing, with frequent changes in technology, consumer expectations and requirements, industry standards and regulations and a consistent stream of new products, services and entrants both in the United States and abroad. We face significant competition in every aspect of our business, and competitors include both large competitors with various product and service offerings and many smaller competitors.
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Many of our current and potential competitors, both domestically and internationally, have or may have competitive advantages over us, including longer operating histories, significantly more resources (including larger marketing and operating budgets), greater brand recognition, access to more data and potential insights related to members, potential acquisition and other opportunities, higher amounts of available capital or access to such capital and in some cases, lower costs. Some of our competitors may enjoy better competitive positions in certain geographical regions, member demographics or other key areas that we currently serve or may serve in the future. These advantages could enable these competitors to offer products that are more appealing to our existing and prospective members, to respond more quickly and/or cost-effectively than us to new or changing opportunities and regulations, new or emerging technologies or changes in customer requirements and preferences, or to offer lower prices or free products and services. A competitor could gain rapid scale for its products by, among other things, leveraging its existing brands, products or services or existing data or insights, harnessing a new technology or a new or existing distribution channel or creating a new or different approach to family safety and location sharing of people, pets and things. For example, in 2021, Apple introduced AirTag, a tracker that uses ultra-wideband technology to allow members to track and find items through Apple's Find My app, an iOS location sharing app developed by Apple for iOS devices, to allow approved users to access the GPS location of the users' Apple devices.
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Our ability to compete to attract, engage and retain members, as well as to increase their engagement with our various products and services and to grow our subscriptions, depend on numerous factors, including our brand and reputation, the prices associated with our subscriptions, products and services, the ease of use of our platform and technology, the actual and perceived safety and security of our platform, products and services, and our ability to address consumer and regulatory concerns as they arise, including those related to data usage, privacy and security such as practices involving the sharing of precise geolocation data and information collected from children and minors under age 16 and their devices. Our competitors include both large competitors with various product and service offerings and smaller competitors, including (i) direct competitors with location sharing products that target family safety, (ii) competitors providing location sharing platforms that are not focused on family safety, (iii) competitors in the item tracking technology market and (iv) competitors that have, or may in the future have, overlapping offerings (for example, companies in industries related to roadside assistance and crash detection, identity theft protection, phone insurance and travel, disaster and medical assistance).
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Potential competitors may also include operators of mobile operating systems and app stores. These mobile platform competitors could use strong or dominant positions in one or more markets, and access to existing large pools of potential users and personal information regarding those users, to gain competitive advantages over us.

If we are not able to compete effectively against our current or future competitors and products or services that may emerge, the size and level of engagement of our member base may decrease, which could adversely affect our business, financial condition and results of operations.
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Our success depends, in part, on our ability to access, collect, use, share, disclose, monetize and otherwise process personal information about our members and to comply with applicable data privacy and security laws, both domestically and worldwide.

In the ordinary course of our business, we access, collect, use, share, disclose, monetize and otherwise process personal information about our members. Our business model is predicated on building a large critical mass of member data, and we allow third parties to derive value from such data. We have been criticized for sharing information collected from minors under age 16 and their devices as well as for selling member data, including precise geolocation data, to third parties for purposes of targeted advertising, research, analytics, attribution, and other commercial purposes. In January 2022, Life360 announced a new partnership agreement with Placer, a provider of anonymized aggregated analytics for the retail ecosystem. As part of this partnership, Placer will provide data processing and analytics services to Life360 and will have the right to commercialize solely aggregated data, while still providing members the option to opt out of even aggregated data sales. In keeping with our vision and consistent with that aggregated data sales model, we are exploring ways, in the future, to enable members to avail themselves of compelling offers and opportunities by enabling our partners to use their data with members' explicit, affirmative opt-in consent. We and our competitors have been criticized by consumer protection groups, privacy groups and governmental bodies for attempts to link personal identities and other information to data collected on the internet regarding members' browsing, driving and other habits. These data processing activities, and increased regulator and consumer scrutiny of such practices, as well as increasing and evolving regulation of such practices, including self-regulation or findings under existing laws that limit our ability to collect, transfer and use information and other data, could have a material adverse effect on our business, financial condition and results of operations, including the potential for regulatory investigations, enforcement actions, lawsuits and a loss of business and a degradation of our reputation. In addition, if we were to disclose information and other data about our members in a manner that was objectionable to our members, regulators, consumer protection groups, or privacy groups, our reputation could be materially adversely affected, and we could face potential legal claims from members or others and penalties from regulators that could impact our financial results and operations. The growing awareness of our members and potential members regarding data privacy and data security laws and regulations and/or adverse media coverage or regulatory scrutiny could limit the use and adoption of our services.

Our Life360 app and Tile app are currently available for download internationally in over 170 countries through the Apple App Store and over 130 countries through the Google Play Store as of March 31, 2022, and we may be subject to additional, more stringent, and in some cases, inconsistent and conflicting legal obligations concerning our access, collection, usage, sharing, disclosing, monetization and other processing of member data, such as laws regarding data localization and/or restrictions on data export that we have not yet addressed. Moreover, potentially inconsistent and conflicting legal obligations may become enacted and applied in the future, as well as additional standards and requirements resulting from new laws, court or regulatory decisions or new guidance. For example, in July 2020 the CJEU struck down a permitted personal data transfer mechanism between the European Union and the United States, and the decision and subsequent regulatory guidance and proceedings have cast doubt on what extent EU-U.S. data transfers can be made compliantly. U.S. and EU officials are actively seeking a solution to replace the personal data transfer mechanism struck down by the CJEU. On March 25, 2022, the U.S. and the European Commission committed to the Trans-Atlantic Data Privacy Framework to enable trans-Atlantic data flows and address the concerns raised by the CJEU in its July 2020 ruling. There is no clear timeline for the enactment of this new framework. Moreover, once enacted the new framework is likely to be subject to legal challenges and may be struck down by the CJEU. See "—We are subject to laws and regulations concerning data privacy, data security, consumer protection, advertising, tracking,
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targeting and the protection of minors, and these laws and regulations are continually evolving. Our actual or perceived failure to comply with these laws and regulations could result in regulatory investigations, claims (including class action or similar lawsuits), monetary penalties, changes to our business practices, reputational damage, increased cost of operations, or declines in member growth or engagement, or otherwise materially and adversely harm our business, financial condition and results of operations."

In the event any regulator or court blocks personal data transfer to or from a particular jurisdiction, this could give rise to operational interruption in the performance of products and services for our members, greater costs to implement alternative data transfer mechanisms, investigations and enforcement actions from regulators including penalties or order to change current practice and reputational harm. Failure to comply with evolving privacy and security laws could subject us to liability, and to the extent that we need to alter our business model or practices to adapt to these obligations, we could incur additional expenses, which may in turn materially adversely affect our business, financial condition and results of operations. See "—Our business is subject to complex and evolving U.S. and international laws and regulations. Many of these laws and regulations are subject to change and uncertain interpretation, and failure to comply with such laws and regulations could result in claims, changes to our business practices, monetary penalties, increased cost of operations, reputational damage, or declines in member growth or engagement, or otherwise harm our business, financial condition and results of operations."

Additionally, privacy activist groups may bring, have previously provided and may continue to provide resources to support individuals who wish to pursue privacy claims, or may put pressure on companies to change data processing practices. High-profile brands, such as ours, risk being targeted by such groups and, due to the nature of the data that we hold, there is a risk that if a member became disgruntled with our data processing practices, he or she could leverage support from such privacy activist groups to take legal action, initiate regulatory investigation or gain publicity for their cause. These groups could seek to challenge our practices, particularly in relation to targeted advertising, data sales, children's data, geolocation data, the use of cookies and other tracking technology and international data transfers. Any such campaign could require significant resources to mount a response, which would occupy management time and resources and potentially lead to negative publicity and investigation from regulators, any of which could materially adversely affect our business, financial condition and results of operations.

As we seek to expand our business into new lines of business and markets, we may become subject to additional contractual obligations, industry standards, codes of conduct, and regulatory guidance relating to data privacy and security. Any failure, or perceived failure, by us to comply with any federal, state or foreign privacy or security laws, regulations, industry self-regulatory principles, codes of conduct, regulatory guidance, orders to which we may be subject, or other legal obligations relating to data privacy or security could adversely affect our reputation, brand and business, and may result in claims, liabilities, proceedings or actions against us by governmental entities, members or others. Any such claims, proceedings or actions could hurt our reputation, brand and business, force us to incur significant expenses in defense of such proceedings or actions, distract our management, increase our costs of doing business, result in a loss of members and result in the imposition of monetary penalties.

We may need to change our pricing models to compete successfully.

The intense competition we face in the family safety, location-based services and item tracking technology markets, in addition to general economic and business conditions (including the economic volatility resulting from the COVID-19 pandemic), can result in downward pressure on the prices of our products and services. If our competitors offer significant discounts on competing products or services or develop products or services that our customers believe are more valuable or cost-effective, we may be required to decrease our prices or offer other incentives in order to compete successfully. Additionally, if we increase prices for our products and services, demand for our solutions could decline as members adopt less expensive competing products and services, and our market share could suffer. If we do not adapt our pricing models to reflect changes in customer use of our products and services or changes in customer demand, our revenues could decrease.

Any broad-based change to our pricing strategy could cause our revenues to decline or could delay future sales as our sales force implements, and our subscribers adjust to, the new pricing terms. We or our competitors may bundle products and services for promotional purposes or as a long-term go-to-market or pricing strategy or provide price guarantees to certain subscribers as part of our overall sales strategy. These practices could, over time, significantly limit our flexibility to change prices for existing products and services and to establish prices for new or enhanced products and services. Any such changes could reduce our margins and adversely affect our business, financial position and results of operations.

The market for our offerings is evolving, and our future success depends on the growth of this market and our ability to anticipate and satisfy consumer preferences in a timely manner.

The family safety and location-based services and item tracking technology markets for our offerings are in a relatively early stage of development, and it is uncertain whether these markets will grow, and even if they do grow, how rapidly they will grow, how much they will grow, or whether our platform will be widely adopted. As such, any predictions or forecasts about our future growth, revenue, and expenses may not be as accurate as they would be if we had a longer operating history or operated in a more predictable market. Any expansion in our markets depends on a number of factors, including the cost, performance, and perceived value associated with our platform and the offerings of our competitors.

Our success will depend, in part, on market acceptance and the widespread adoption of our family safety and location sharing products and services as an alternative to other family coordination options such as texts and phone calls, and member selection of our products and services over competing products and services that may have similar functionality. Family safety, location sharing and location tracking technology is still evolving and we cannot predict marketplace acceptance of our products and services or the development of products and services based on entirely new technologies.

There is a risk that we will not be able to grow our member base outside of the United States in a way that provides the scale required to offer the full functionality of the Life360 Service to a particular geography, or to a scale that will enable us to generate indirect revenue.

Our success depends on our ability to anticipate and satisfy consumer preferences in a timely manner. All of our products and services are subject to changing consumer preferences that cannot be predicted with certainty. Consumers may decide not to purchase our products and services as their preferences could shift rapidly to different types of offerings or away from these types of products and services altogether, and our future success depends in part on our ability to anticipate and respond to shifts in consumer preferences. In addition, certain of our newer products and services may have higher prices than many of our earlier offerings and those of some of our competitors, which may not appeal to consumers or only appeal to a smaller subset of consumers. It is also possible that competitors could introduce new products and services that negatively impact consumer preference for our offerings, which could result in decreased sales and a loss in market share. Accordingly, if we fail to anticipate and satisfy consumer preferences in a timely manner, our business, financial condition and results of operations may be adversely affected.

Changes to our existing brands, products and services, or the introduction of new brands, products or services, could fail to attract or retain members or generate revenue and profits.

Our ability to retain, increase, and engage our member base and to increase our revenue depends heavily on our ability to continue to evolve our existing brands, products and services, as well as to create successful new ones, both independently and in conjunction with developers or other third parties. We may introduce significant changes to our existing brands, products and services, or acquire new and unproven brands, products, services and product and services extensions, including technologies with which we have little or no prior development or operating experience. We have also invested, and expect to continue to invest, significant resources in growing our subscription-based services to support increasing usage as well as new lines of business, products, services,

product extensions and other initiatives to generate revenue. Developing new products and services is expensive and can require substantial management and company resources and attention and investing in the development and launch of new products and services can involve an extended period of time before a return on investment is achieved, if at all. An important element of our business strategy is to continue to make investments in innovation and related product and services opportunities to maintain our competitive position. Unanticipated problems in developing products and services could also divert substantial research and development resources, which may impair our ability to develop new products and services or enhance existing products and services, and substantially increase our costs. We may not receive revenues from these investments for several years and may not realize returns from such investments at all.

There is no guarantee that investing in new lines of business, products, services, product and services extensions or other initiatives to show our community meaningful opportunities to facilitate family safety or location, driving and family co-ordination will succeed, that members will like the changes or that we will be able to implement such new lines of business, products, services, product and services extensions or other initiatives effectively or on a timely basis, which may negatively affect our brands. Our new or enhanced brands, products, services or product and services extensions may provide temporary increases in engagement but may ultimately fail to engage members, marketers, or developers, we may fail to attract or retain members or to generate sufficient revenue, operating margin, or other value to justify our investments, and our business may be materially adversely affected.

The development of our products and services is complex and costly, and we typically have several products and services in development at the same time. Given the complexity, we occasionally have experienced, and could experience in the future, delays in the development and introduction of new and enhanced products and services. Problems in the design or quality of our products or services may also have an adverse effect on our brand, business, financial condition or results of operations. Unanticipated problems in developing products and services could also divert substantial resources, including research and development, which may impair our ability to develop new products and services and enhancements of existing products and services, and could substantially increase our costs. If new or enhanced product and service introductions are delayed or not successful, we may not be able to achieve an acceptable return, if any, on our research and development efforts, and our business, financial condition and results of operations may be adversely affected.

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Unfavorable media coverage and publicity could damage our brands and reputation and materially adversely affect our business, financial condition and results of operations.

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Unfavorable publicity or media reports, including those regarding us, our privacy and data collection practices, including those related to children and minors, data security compromises or breaches, product or service changes, quality or features, litigation or regulatory activity, including any intellectual property proceeding, any investigation and/or enforcement activity from data protection authorities or proceeding relating to the privacy or security of member data, or regarding the actions of our partners, our members, our employees or other companies in our industry, could materially adversely affect our brands and reputation, regardless of the veracity of such publicity or media reports. Major media outlets have increased scrutiny of the location data market and Life360 has been the target of media articles recently, which could impact member retention, growth, engagement and conversion as well as increase regulatory scrutiny of our actions or decisions regarding member privacy, encryption, content, contributors, advertising and other issues, which may materially adversely affect our reputation and brands.

If we fail to protect our brands or reputation, we may experience material adverse effects to the size, demographics, engagement, and loyalty of our member base, resulting in decreased revenue, fewer app installs (or increased app uninstalls) and subscription purchases, or slower member growth rates. Any of the foregoing could materially adversely affect our business, financial condition and results of operations.

Inappropriate actions by certain of our members could be attributed to us and cause damage to our brands.
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Our members may be physically, financially, emotionally or otherwise harmed by other individuals through the use of one of our products or through features of our products. If one or more of our members suffers or alleges to have suffered any such harm as a result of the Life360 Service, we could in the future experience negative publicity or legal action that could damage our brands. Similar events affecting users of our competitors' products and services could also result in negative publicity for our products and services, as well as the industries in which we operate, including the location sharing and tracking industries, which could in turn negatively affect our business.

The reputation of our brands may also be materially adversely affected by the actions of our members that are deemed to be hostile, offensive, inappropriate or unlawful. Furthermore, members have in the past used competitor products and may use our products for illegal or harmful purposes such as stalking or theft, rather than for their intended purposes. While we have systems and processes in place that aim to monitor and review the appropriateness of the content accessible through our products and services, which include, in particular, reporting tools through which members can inform us of such behavior on the platform, and have adopted policies regarding illegal, offensive or inappropriate use of our products and services, our members have in the past, and could in the future, nonetheless engage in activities that violate our policies. Additionally, while our policies attempt to address illegal, offensive or inappropriate use of our products, we cannot control how our members engage on our products. These safeguards may not be sufficient to avoid harm to our reputation and brands, especially if such hostile, offensive or inappropriate use is well-publicized.
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Our business could be harmed if we are unable to accurately forecast demand for our products and services and to adequately manage our product inventory.
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We invest broadly in our business, and such investments are driven by our expectations of the future success of a product or service. For example, our Tile and Jiobit hardware often require investments with long lead times. We must forecast inventory needs and expenses and place orders sufficiently in advance with our third-party suppliers and contract manufacturers based on our estimates of future demand for particular products. Our ability to accurately forecast demand for our products and services could be affected by many factors, including an increase or decrease in demand for our products and services or for our competitors' products and services, unanticipated changes in general market or economic or political conditions, and business closures and other actions taken to combat COVID-19 and other pandemics and epidemics or as a result of current events. An inability to correctly forecast the success of a particular product or service could harm our business.
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If we underestimate demand for a particular product, our contract manufacturers and suppliers may not be able to deliver sufficient quantities of that product to meet our requirements, and we may experience a shortage of that product available for sale or distribution. If we overestimate demand for a particular product, we may experience excess inventory levels for that product and the excess inventory may become obsolete or out-of-date. Inventory levels in excess of demand may result in inventory write-downs or write-offs and the sale of excess inventory at further discounted prices, which could negatively impact our gross profit and our business.

Our growth and profitability rely, in part, on our ability to attract members through cost-effective marketing efforts. Any failure in these efforts could materially adversely affect our business, financial condition and results of operations.

Attracting members involves considerable expenditure for online and offline marketing. Historically, we have had to increase our marketing expenditures over time in order to build our brand awareness, attract members and drive our long-term growth. Evolving consumer behavior has affected, and will in the future affect, the availability of profitable marketing opportunities. For example, as consumers communicate less via email and more via text messaging, messaging apps and other virtual means, the reach of email campaigns designed to

attract new and repeat members for our products is adversely impacted. To continue to reach potential members and grow our businesses, we must identify and devote our overall marketing expenditures to newer advertising channels, such as mobile and online video platforms as well as targeted campaigns in which we communicate directly with potential, former and current members via new virtual means. We currently rely on member acquisition through paid efforts on a limited basis and are not reliant on it for our member growth. Our paid acquisition efforts include paid search in app stores as well as commercials on streaming television. Generally, the opportunities in and sophistication of newer advertising channels are relatively undeveloped and unproven, and we may not be able to continue to appropriately manage and fine-tune our marketing efforts in response to these and other trends in the marketing and advertising industries. Any failure to do so could materially adversely affect our business, financial condition and results of operations.

Distribution and marketing of, and access to, our products and services depends, in significant part, on a variety of third-party publishers and platforms. If these third parties change their policies in such a way that restricts our business, increases our expenses or limits, prohibits or otherwise interferes with or changes the terms of the distribution, use or marketing of our products and services in any material way or affects our ability to collect revenue, our business, financial condition and results of operations may be adversely affected.

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We market and distribute our products and services (including the Life360 app, Tile app and Jiobit app) through a variety of third-party publishers and distribution channels including the Apple App Store and Google Play Store. Our mobile applications are almost exclusively accessed through the Apple App Store and Google Play Store. Apple, our channel partner, accounted for 57% and 54% of our revenue for the year ended December 31, 2021 and 2020, respectively. We are party to an agreement with Apple that relates to app sales and covers revenues generated from sales of our applications, for which we pay Apple a commission equal to 30% of all prices payable by each individual purchaser and a commission equal to 15% for auto-renewing subscription purchases made by customers who have accrued greater than one year of paid subscription service excluding: a) any withholding or similar tax, b) any sales, use, goods and services, value added, telecommunications or other tax or levy not collected by Apple, and c) any other tax or government levy. Our agreement with Apple provides that either party may terminate the agreement with 30 days' prior written notice. Our ability to market our brands on any given property or channel is subject to the policies of the relevant third party. There is no guarantee that popular mobile platforms will continue to feature our products, or that mobile device users will continue to use our products and services rather than competing ones. Because Life360 is only used on mobile devices, it must remain interoperable with popular mobile operating systems, networks, technologies, products, and standards that we do not control, such as the Android and iOS operating systems and related hardware, including but not limited to GPS, accelerometers and gyrometers. Any changes, bugs, or technical issues in such systems, or changes in our relationships with mobile operating system partners, handset manufacturers, or mobile carriers, or in their terms of service or policies that degrade our products' functionality, reduce or eliminate our ability to update or distribute our products, give preferential treatment to competitive products, limit our ability to deliver, target, or measure the effectiveness of ads, or charge fees related to the distribution of our products or our delivery of ads could materially adversely affect the usage of our products and services on mobile devices.

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The third-party publishers and distribution channels may grant users of these mobile operating systems the ability to adjust their device settings in ways that change our ability to collect data. For example, Apple devices require app users to provide opt-in consent before their identifier for advertisers ("IDFA"), can be accessed by an app for certain types of utility. Apple's IDFA is a string of numbers and letters assigned to Apple devices which, with user permission, marketers use to identify app users to deliver personalized and targeted marketing. The effect of changes in access to IDFA may impact future operations. We rely in part on IDFA to provide us with data that helps better market and monetize our products and services. The proposed IDFA and transparency changes may limit our ability to collect and use IDFAs from Apple devices. Finding alternative solutions may require the incurrence of substantial costs and the expenditure of substantial resources, to the extent we are unable to utilize IDFAs or a similar offering. As a consequence, fewer of our cookies, publishers' cookies or IDFAs, as applicable, may be set in browsers or be accessible from mobile devices, which would adversely affect

our business. Digital marketing and in-app marketing are also dependent, in part, on internet protocols and the practices of internet service providers, including IP address allocation. Changes that these providers make to their practices, or adoption of new internet IDFA or other privacy or security protocols, including with respect to device de-identification and cross-device data, may materially limit or alter the availability of data, including location data, essential for our business operations or may prohibit critical components of our platform from operating as designed. A limitation or alteration of the availability of data in any of these or other instances, or any limitation on the operability of our platform and related technologies, may materially and negatively impact the effectiveness of our technology and datasets, which could reduce our revenue and materially and adversely affect our business, financial condition and results of operations.

We are subject to the standard policies and terms of service of these third-party platforms, which generally govern the promotion, distribution, content, and operation of applications on such platforms. Each platform provider has broad discretion to change its policies and interpret its terms of service and other policies with respect to us and other companies, including changes that may be unfavorable to us and may limit, eliminate or otherwise interfere with our ability to distribute or market through their stores, affect our ability to update our applications, including to make bug fixes or other feature updates or upgrades and affect our ability to access native functionality or other aspects of mobile devices and our ability to access information about our members that they collect. A platform provider may also change how the personal information of its users is made available to developers on its platform, limit the use of personal information for advertising purposes, restrict how members can share information on its platform or across platforms, or significantly increase the level of compliance or requirements necessary to use its platform.

In addition, the platforms we use may dictate rules, conduct or technical features relating to the collection, storage, use, transmission, sharing and protection of personal information and other consumer data, which may result in substantial costs and may necessitate changes to our business practices, which in turn may compromise our growth strategy, adversely affect our ability to attract, monetize or retain members, and otherwise adversely affect our business, reputation, legal and regulatory exposures, business, financial condition and results of operations. Any failure or perceived failure by us to comply with these platform-dictated rules, conduct or technical features may result in investigations or enforcement actions, litigation, or public statements against us, which in turn could result in significant liability or temporary or permanent suspension of our business activities with these platforms, cause our members to lose trust in us, and otherwise compromise our growth strategy, adversely affect our ability to attract, monetize or retain members, and otherwise adversely affect our reputation, legal exposures, business, financial condition and results of operations.

If we violate, or a distribution platform provider believes we have violated, a distribution platform's terms of service, or if there is any change or deterioration in our relationship with such distribution provider, that platform provider could limit or discontinue our access to its platform. For example, in August 2020, Apple and Google removed mobile apps from their platforms for violating their standard policies and terms of service which include policies against selling location data to brokers. If one of our distribution platform partners were to limit or discontinue our access to their platform, it could significantly reduce our ability to distribute our products to members, decrease the size of the member base we could potentially convert into subscribers, or decrease the revenues we derive from subscribers or advertisers, each of which could adversely affect our business, financial condition and results of operations.

We also rely on the continued popularity, member adoption, and functionality of third-party platforms. In the past, some of these platform providers have been unavailable for short periods of time or experienced issues with their in-app purchasing functionality. If either of these events recurs on a prolonged, or even short-term, basis or if similar issues arise that impact members' ability to access our products and services, our business, financial condition, results of operations and reputation may be harmed. Third-party platforms may also impose certain file size limitations, which could limit the ability of our members to download some of our larger app updates over-the-air.

Furthermore, the owners of mobile operating systems provide consumers with the ability to download products that compete with Life360. We have no control over Apple's or Google's operating systems or hardware or hardware manufactured by other original equipment manufacturers, and any changes to these systems or hardware could degrade the functionality of our mobile apps, impact the accessibility, speed or other performance aspects of our mobile apps or give preferential treatment to competitive products. If issues arise with third-party platforms that impact the visibility or availability of our products and services, our members' ability to access our products and services or our ability to monetize our products and services, or otherwise impact the design or effectiveness of our software, our business, financial condition and results of operations could be adversely affected.

In addition, many of our subscription fees are collected by Apple and Google through the Apple App Store and Google Play Store and remitted to us. Historically, the number of new and retained members recorded by Life360's internal database has differed from the number recorded by Apple and Google in their respective databases. Direct revenue is recognized based on the invoices received from Apple and Google. Any delay to a remittance from Apple or Google or difference in the numbers in our respective databases may lead to distortions between our expected direct revenue and our actual direct revenue and may have an adverse effect on our business, financial condition and results of operations.

We depend on retailers and distributors to sell and market our products, and our failure to maintain and further develop our sales channels could harm our business.

We primarily sell our products through retailers and distributors and depend on these third parties to sell and market our products to consumers. Any changes to our current mix of retailers and distributors could adversely affect our gross margin and could negatively affect both our brand image and our reputation. Our sales depend, in part, on retailers adequately displaying our products, including providing attractive space and point of purchase displays in their stores, and training their sales personnel to sell our products. If our retailers and distributors are not successful in selling our products, Tile's and Jiobit's revenue would decrease and we could experience lower gross margin due to product returns or price protection claims. Our retailers also often offer products and services of our competitors in their stores. In addition, our success in expanding and entering into new markets internationally will depend on our ability to establish relationships with new retailers and distributors. We also sell through, and will need to continue to expand our sales through, online retailers, such as Amazon.com. If we do not maintain our relationship with existing retailers and distributors or if we fail to develop relationships with new retailers and distributors, our ability to sell our products and services could be adversely affected and our business may be harmed.

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For the fiscal year ended March 31, 2021 and for the nine months ended December 31, 2021, the 10 largest retailers, distributors and distribution channels for Tile accounted for approximately 88% and 91% of Tile's gross hardware revenue, respectively. Of these retailers, distributors, and distribution channels, Target, Best Buy, and Amazon.com accounted for approximately 5%, 6%, and 59% of Tile's gross hardware revenue for the fiscal year ended March 31, 2021, respectively, and approximately 4%, 6%, and 59% of Tile's gross hardware revenue for the nine months ended December 31, 2021, respectively. Accordingly, the loss of a small number of our large retailers distributors, and distribution channels, or the reduction in business with, or access to, one or more of these retailers, distributors, or distribution channels could have a significant adverse impact on our operating results. We sell products to Amazon.com under their standard vendor agreement. Our vendor agreement with Amazon.com does not include a term or duration as sales under the vendor agreement are generally made on a purchase order basis. Our vendor agreement with Amazon.com provides that either party may terminate the agreement with 60 days' prior written notice, provided that we are required to fulfill any purchase orders that we accept before the effective date of termination. While we have agreements with these large retailers and distributors, these agreements do not require them to purchase any meaningful amount of our products.

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We rely on a limited number of suppliers, manufacturers, and fulfillment partners for our smart trackers. A loss of any of these partners could negatively affect our business.

We rely on a limited number of suppliers to manufacture and transport our smart trackers, including in some cases only a single supplier for some of our products and components. We outsource the manufacturing of our Tile and Jiobit devices to one contract manufacturer, using our design specifications. Jiobit also utilizes other contract manufacturers for additional accessory production. To ensure the quality of our products, we conduct routine product audits.
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We also work with third-party fulfillment partners that package and deliver our products to multiple locations worldwide, which allows us to reduce order fulfillment time, reduce shipping costs, and improve inventory flexibility. Our reliance on a limited number of manufacturers and fulfillment partners for each of our smart trackers increases our risk since we do not currently have alternative or replacement manufacturers beyond these key parties. In the event of interruption from any of our manufacturers or fulfillment partners, we may not be able to increase capacity from other sources or develop alternate or secondary sources without incurring material additional costs and substantial delays. Furthermore, our primary manufacturer's facilities are located in the PRC and Malaysia. Thus, our business could be adversely affected if one or more of our suppliers is impacted by a natural disaster, political, social or economic instability, such as the current conflict between Russia and Ukraine, changing foreign regulations, labor unrests, pandemics, including unknown and unforeseen consequences of emerging variants of the COVID-19 pandemic, or any other interruption at a particular location.

If we experience a significant increase in demand for our smart trackers, or if we need to replace an existing supplier or partner, we may be unable to supplement or replace them on terms that are acceptable to us, if at all, which could limit our ability to deliver our products to our members in a timely manner. Our agreement with Jabil expired on its terms in March 2022. Although Jabil has provided us with written confirmation of its intention to continue our relationship on the same terms and to enter into a new agreement with us on similar terms, if we are unable to enter into such an agreement, it could cause an adverse effect on our business, financial condition and results of operations. For example, it may take a significant amount of time to identify a manufacturer or fulfillment partner that has the capability and resources to build our products to our specifications in sufficient volume. Identifying suitable suppliers, manufacturers, and fulfillment partners is an extensive process that requires us to become satisfied with their quality control, technical capabilities, responsiveness and service, financial stability, regulatory compliance, and labor and other ethical practices. Accordingly, a loss of any of our significant suppliers, manufactures, or fulfillment partners could have an adverse effect on our business, financial condition and results of operations.

We have limited control over our suppliers, manufacturers, fulfillment partners and inflation in costs, which may subject us to significant risks, including the potential inability to produce or obtain quality products and services on a timely basis or in sufficient quantity.

We have limited control over our suppliers, manufacturers, fulfillment partners and inflation in costs, which subjects us to risks, including, among others:
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- inability to satisfy demand for our smart trackers;
- reduced control over delivery timing and product reliability;
- reduced ability to monitor the manufacturing process and components used in our smart trackers;
- limited ability to develop comprehensive manufacturing specifications that take into account any materials shortages or substitutions;
- variance in the manufacturing capability of our third-party manufacturers;
- design and manufacturing defects;

- price increases;
- failure of a significant supplier, manufacturer, or fulfillment partner to perform its obligations to us for technical, market, or other reasons;
- difficulties in establishing additional supplier, manufacturer, or fulfillment partner relationships if we experience difficulties with our existing suppliers, manufacturers, or fulfillment partners;
- shortages of materials or components;
- misappropriation of our intellectual property;
- exposure to natural catastrophes, political unrest, terrorism, labor disputes, and economic instability resulting in the disruption of trade from foreign countries in which our smart trackers are manufactured or the components thereof are sourced;
- changes in local economic conditions in the jurisdictions where our suppliers, manufacturers, and fulfillment partners are located including as a result of global supply chain issues;
- the imposition of new laws and regulations, including those relating to labor conditions, quality and safety standards, imports, duties, tariffs, taxes, and other charges on imports, as well as trade restrictions and restrictions on currency exchange or the transfer of funds; and
- insufficient warranties and indemnities on components supplied to our manufacturers or performance by our partners.

Further, international operations entail a variety of risks, including currency exchange fluctuations, challenges in staffing and managing foreign operations, tariffs and other trade barriers, unexpected changes in legislative or regulatory requirements of foreign countries that manufacture, or into which we sell, our products and services, difficulties in obtaining export licenses or in overcoming other trade barriers, laws and business practices favoring local companies, political and economic instability, difficulties protecting or procuring intellectual property rights, and restrictions resulting in delivery delays and significant taxes or other burdens of complying with a variety of foreign laws. For example, given ongoing supply chain issues, we are prioritizing hardware inventory allocation for the benefit of bundled subscription offers over retail sales. Additionally, in February 2022, armed conflict escalated between Russia and Ukraine. The EU and other governments in jurisdictions in which our apps are available for download through the Apple App Store and Google Play Store have imposed severe sanctions and export controls against Russia and Russian interests, and have threatened additional sanctions and controls. It is not possible to predict the broader consequences of this conflict, which could include further sanctions, embargoes, greater regional instability, geopolitical shifts and other adverse effects on macroeconomic conditions, currency exchange rates, supply chains and financial markets.

The occurrence of any of these risks, especially during seasons of peak demand, could cause us to experience a significant disruption in our ability to produce and deliver our products and services to our customers.

If we do not successfully coordinate the worldwide manufacturing and distribution of our products, we could lose sales, which could materially adversely affect our business, financial condition and results of operations.

Our business requires us to coordinate the manufacture and distribution of our Tile and Jiobit products across the United States and over the world. We rely on third parties to manufacture our products, manage centralized distribution centers and transport our products. If we do not successfully coordinate the timely manufacturing and distribution of our products, if our manufacturers, distribution logistics providers or transport providers are not able to successfully and timely process our business or if we do not receive timely and accurate information from such providers, and especially if we expand into new product categories or our business grows in volume, we may have an insufficient supply of products to meet customer demand, lose sales, experience a

build-up in inventory, incur additional costs, and our financial condition and results of operations may be adversely affected.
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As a result of our products being manufactured in the PRC and Malaysia, we are reliant on third parties to get our products to distributors around the world. Transportation costs, fuel costs, labor unrest, political unrest, natural disasters, regional or global pandemics, including emerging variants of COVID-19 and consequences thereof, and other adverse effects on our ability, timing and cost of delivering products can increase our inventory, decrease our margins, adversely affect our relationships with distributors and other customers and otherwise adversely affect our financial condition and results of operations.
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A significant portion of our annual retail orders and product deliveries generally occur in the last quarter of the year which includes the important selling periods in November (Black Friday and Cyber Monday) and December (Christmas and Hanukkah) in large part to seasonal holiday demand. This places pressure on our supply chain and could adversely affect our revenues and profitability if we are unable to successfully fulfill customer orders during this quarter.
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Our primary manufacturer's facilities are located in the PRC and Malaysia. Uncertainties with respect to the legal system of the PRC, including uncertainties regarding the enforcement of laws, and sudden or unexpected changes in policies, laws and regulations in the PRC could materially adversely affect us. Disruption in the supply chain from Malaysia could also adversely affect our business.

Our primary manufacturer's operations in the PRC are governed by Chinese laws and regulations. The Chinese government has exercised and continues to exercise substantial control over virtually every sector of the Chinese economy through regulation and state ownership. The central Chinese government or local governments having jurisdiction within the PRC may impose new, stricter regulations, or interpretations of existing regulations. The Company's primary manufacturer in the PRC may be subject to regulation and interference by various political, governmental and regulatory entities in the provinces in which it operates, including local and municipal agencies and other governmental divisions. As such, any such future laws or regulations may impair the ability of our primary manufacturer to operate and increase its costs. If our primary manufacturer incurs increased costs, it may attempt to pass such costs on to us. Any such increased expenses or disruptions to the operations of our primary manufacturer could adversely impact our results of operations, as well as our ability to deliver our products to our members in a timely manner and to meet demand for our smart trackers.

The PRC's legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value. Since 1979, the Chinese government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organization and governance, commerce, taxation and trade, with a view to developing a comprehensive system of commercial law. Due to the fact that these laws and regulations have not been fully developed, and because of the limited volume of published cases and the non-binding nature of prior court decisions, interpretation of Chinese laws and regulations involves a degree of uncertainty. Some of these laws may be changed without immediate publication or may be amended with retroactive effect. Furthermore, since the PRC's legal system continues to rapidly evolve, the interpretations of many laws and regulations are not always uniform and enforcement of these laws and regulations involves uncertainties. As a result, our primary manufacturer may not be aware of their violation of any of these policies and rules until sometime after the violation. Such unpredictability towards contractual, property and procedural rights and any failure to quickly respond to changes in the regulatory environment in the PRC could adversely affect our primary manufacturer's business, which in turn may impede our ability to deliver our products to our members in a timely manner and to meet demand for our smart trackers or may result in increased expenses for us. Such actions could have a material adverse effect on our business, financial condition, and results of operations. Although we may from time to time seek to secure a back-up manufacturer outside of the PRC, we may not be able to do so in a timely manner, on acceptable terms, or at all.
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Additionally, disruption in our supply chain from our primary manufacturer's facilities in Malaysia could also significantly impact our ability to fill customer orders for our products. Our supply chain could be adversely impacted by the uncertainties of health concerns and related governmental restrictions, natural disasters, inclement weather conditions, civil unrest including wars and armed conflicts, contractual disagreements, labor unrest, strikes, acts of terrorism, breaches of data security, and other adverse events. For example, the facilities in Malaysia could be temporarily closed or operated at substantially reduced levels due to a COVID-related lockdown. Further, we may be exposed to fluctuations in the value of the local currency in the countries in which manufacturing occurs. Future appreciation of these local currencies could increase our costs. In addition, our labor costs could rise as wage rates increase and the available labor pool declines. These conditions could adversely affect our financial results.
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Our apps are currently available for download internationally and in the future we expect to penetrate additional international regions, including certain markets and regions in which we have limited experience, which subjects us to a number of additional risks.
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We have a rapidly growing member base, with the Life360 app and the Tile app being available for download in over 170 countries through the Apple App Store and more than 130 countries through the Google Play Store as of March 31, 2022. Although our current member base is mostly in the United States, we have significant runway for international expansion. We believe our value proposition for family safety is universal. As of March 31, 2022, international members represented over 34% of our total MAUs and accounted for approximately 10% of revenue. As of March 31, 2022, the Life360 app is available in 14 languages, and we are focused on increasing our penetration in other markets to replicate our success in the United States. In December 2021, we launched the first full-service membership offering of the Life360 Platform outside of the United States in Canada with plans to continue this rollout in other markets such as the UK, Australia and Europe. Since Tile, like Life360, is system- and device- agnostic and since 16% of Tile's hardware net revenue was international for the nine months ended December 31, 2021, our acquisition of Tile has significantly accelerated our international growth roadmap, especially in Android-heavy locales. The timing of certain of our international market rollouts has been impacted by the conflict in Ukraine, where we had a development office responsible for our international efforts. While we have been able to adapt and get development back on track by redeploying these teams, our plans have been delayed by the conflict due to temporarily reduced engineering capacity.
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Offering our apps for download internationally and rolling out full-service memberships outside of the United States, particularly in countries in which we have limited experience, exposes us to a number of additional risks including, among others:

- operational and compliance challenges caused by distance, language, and cultural differences;
- difficulties in staffing and managing international operations and differing labor regulations for contractors and certain Tile employees working internationally;
- differing levels of social and technological acceptance and adoption of our products and services or lack of acceptance of them generally and the risk that our products and services may not resonate as deeply in certain international markets;
- foreign currency fluctuations;
- restrictions on the transfer of funds among countries and back to the United States, as well as costs associated with repatriating funds to the United States;
- differing and potentially adverse tax laws and consequences;
- multiple, conflicting and changing laws, rules and regulations, and difficulties understanding and ensuring compliance with those laws by our company, our employees and our business partners, over whom we exert no control, and other government requirements, approvals, permits and licenses;

- compliance challenges due to different requirements and processes set out in different laws and regulatory environments, particularly in the case of privacy, data security intermediary liability, and consumer protection;
- competitive environments that favor local businesses or local knowledge of such environments;
- limited or insufficient intellectual property protection, or the inability or difficulty to obtain, maintain, protect or enforce intellectual property rights or to obtain intellectual property licenses from third parties, which could make it easier for competitors to capture increased market position;
- use of international data hosting platforms and other third-party platforms;
- low usage and/or penetration of internet connected consumer electronic devices;
- political, legal, social or economic instability (such as the current armed conflict between Russia and Ukraine);
- laws and legal systems less developed or less predictable than those in the United States;
- trade sanctions, political unrest, terrorism, war, pandemics and epidemics or the threat of any of these events (such as COVID-19); and
- breaches or violation of any export and import laws, anti-bribery or anti-corruption laws, anti-money laundering rules or other rules or regulations applicable to our business, including but not limited to the Foreign Corrupt Practices Act of 1977, as amended.

The occurrence of any or all of the risks described above could adversely affect our international operations, which could in turn adversely affect our business, financial condition and results of operations.

Our future success depends on the continuing efforts of our key employees and our ability to attract and retain highly skilled personnel and senior management.

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We currently depend on the continued services and performance of our key employees, including Chris Hulls, our Co-Founder and Chief Executive Officer. Our other co-founder, Alex Haro, serves as a member of the Board of Directors. If one or more of our executive officers or other key employees were unable or unwilling to continue their employment with us, we may not be able to replace them easily, in a timely manner, or at all. The risk that competitors or other companies may poach our talent increases as we continue to build our brands and become more well-known. Our key personnel have been, and may continue to be, subject to poaching efforts by our competitors and other internet and high-growth companies, including well-capitalized players in the social media and consumer internet space. The loss of key personnel, including members of management, as well as key engineering, product development, marketing, and sales personnel, could disrupt our operations and have a material adverse effect on our business. The success of our brands also depends on the commitment of our key personnel. To the extent that any of our key personnel act in a way that does not align with our values, our reputation could be materially adversely affected. See "—Our employees, consultants, third-party providers, partners and competitors could engage in misconduct that materially adversely affects us."

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Our future success will depend upon our continued ability to identify, hire, develop, motivate and retain highly skilled individuals across the globe, with the continued contributions of our senior management being especially critical to our success. Competition for well-qualified, highly skilled employees in our industry is intense and our continued ability to compete effectively depends, in part, upon our ability to attract and retain new employees. While we have established programs to attract new employees and provide incentives to retain existing employees, particularly our senior management, we cannot guarantee that we will be able to attract new employees or retain the services of our senior management or any other key employees in the future. Additionally, we believe that our culture and core values have been, and will continue to be, a key contributor to our success and our ability to foster the innovation, creativity and teamwork we believe we need to support our operations. If we fail to effectively manage our hiring needs and successfully integrate our new hires, or if we fail

to effectively manage remote work arrangements, our efficiency and ability to meet our forecasts and our ability to maintain our culture, employee morale, productivity and retention could suffer, and our business, financial condition and results of operations could be materially adversely affected.

Finally, effective succession planning is also important to our future success. While our remuneration and nomination committee is responsible for overseeing and implementing proper succession plans for the company, if we fail to ensure the effective transfer of senior management knowledge and smooth transitions involving senior management across our various businesses, our ability to execute short and long term strategic, financial and operating goals, as well as our business, financial condition and results of operations generally, could be materially adversely affected.

Our employees, consultants, third-party providers, partners and competitors could engage in misconduct that materially adversely affects us.

Our employees, consultants, third-party providers, partners and competitors could engage in misconduct, including the misuse of data and intentional failures to comply with applicable laws and regulations (including those related to cybersecurity and data privacy or those prohibiting a wide range of pricing, discounting and other business arrangements), report financial information or data accurately or disclose unauthorized activities. Such misconduct could result in legal or regulatory sanctions and cause serious harm to their and our reputation. It is not always possible to identify and deter misconduct by employees, consultants, third-party providers or partners, and any other precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses, or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, whether or not we are successful in defending against them, we could be exposed to legal liability (including civil, criminal and administrative penalties), incur substantial costs and damage to our reputation and brands, and we could fail to retain key employees. Additionally, any misconduct or perception of misconduct by our members that is attributed to us, our employees, consultants, third-party providers, partners or competitors could seriously harm our business or reputation. See "—Unfavorable media coverage and publicity could damage our brands and reputation, and materially adversely affect our business, financial condition and results of operations" and "—Inappropriate actions by certain of our members could be attributed to us and cause damage to our brands."

If we fail to offer high-quality customer support, our customer satisfaction may suffer, and it may have a negative impact on our business and reputation.

Many of our members rely on our customer support services to resolve issues, including technical support, billing and subscription issues, which may arise. If demand increases, or our resources decrease, we may be unable to offer the level of support our customers expect. Any failure by us to maintain the expected level of support could reduce member satisfaction and negatively impact our customer retention, our business and reputation.
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We currently rely on several key data partners, the agreements with which are terminable by either party at will, and any termination could have a material adverse effect on our revenues, business, financial condition and results of operations.

We generate indirect revenue from key partners through the sale of data insights from the personal data we collect from our members. This revenue represented 16% and 19% of our revenue for the three months ended March 31, 2022 and 2021, respectively, and approximately 17% and 20% of our revenue for the years ended December 31, 2021 and 2020, respectively. Termination of agreements with key partners may adversely impact our future financial performance.
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In January 2022, Life360 announced a new partnership agreement with Placer, a provider of anonymized aggregated analytics for the retail ecosystem. As part of this partnership, Placer will provide data processing and

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analytics services to Life360 and will have the right to commercialize solely aggregated data insights. This partnership marked the beginning of Life360's exit from its legacy data sales model and transition to commercialize solely aggregated data, while still providing members the option to opt out of even aggregated data sales. In keeping with our vision and consistent with that aggregated data sales model, we are exploring ways, in the future, to enable members to avail themselves of compelling offers and opportunities by enabling our partners to use their data with members' explicit, affirmative opt-in consent. There is a risk that demand for this aggregated data will decrease, which could adversely impact our ability to renew the agreement upon the expiration of the initial term. There is also a risk that the supply of aggregated data by other parties will increase which may adversely impact our ability to continue to generate revenue from the sale of aggregated data at the end of the current contract term. In addition, under limited circumstances where we may terminate the Placer agreement before the end of the term, we could be liable for termination payments ranging from $5 million to $10 million. In addition, we have agreed to pay Placer liquidated damages in the amount of $20 million if we fail to timely cure a breach of the exclusivity requirements under the agreement.
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Our growth strategy includes expanding in international markets which requires significant resources and management attention. Failure to execute on our growth strategy could have an adverse impact on our business, financial condition and results of operations.

We have expanded to new international markets and are growing our operations in existing international markets, which may have very different cultures and commercial, legal, and regulatory systems than the markets in which we predominately operate. We have also hired new team members in many of these markets through professional employer organizations but may directly employ them in the future. This international expansion may:

- impede our ability to continuously monitor the performance of all of our team members;
- result in hiring of team members who may not yet fully understand our business, products, and culture; or
- cause us to expand in markets that may lack the culture and infrastructure needed to adopt our products.

These issues may eventually lead to turnover or layoffs of team members in these markets and may harm our ability to grow our business in these markets. In addition, scaling our business to international markets imposes complexity on our business, and requires additional financial, legal, and management resources. An inability to manage this expansion successfully may have an adverse impact on our business, financial condition and results of operations.

If we cannot maintain our corporate culture as we grow, our business may be harmed.

We believe that our corporate culture has been a critical component to our success and that our culture creates an environment that drives and perpetuates our overall business strategy. We have invested substantial time and resources in building our team, and we expect to continue to hire aggressively as we expand, including with respect to any potential international expansions we may pursue. As we grow and mature, we may find it difficult to maintain our corporate culture. Any failure to preserve our culture could negatively affect our future success, including our ability to recruit and retain personnel and effectively focus on and pursue our business strategy.

We plan to continue to make acquisitions and pursue other strategic transactions, which could impact our business, financial condition and results of operations.

As part of our business strategy, we have made and intend to continue to make acquisitions to add specialized employees and complementary companies, products, services or technologies, and from time to time, may enter into other strategic transactions such as investments and joint ventures. We may not be able to find suitable acquisition candidates, and we may not be able to complete acquisitions or other strategic transactions on favorable terms, or at all, including as a result of regulatory challenges. In some cases, the costs of such acquisitions or other strategic transactions may be substantial, and there is no assurance that we will realize

expected synergies from future growth and potential monetization opportunities for our acquisitions or a favorable return on investment for our strategic investments.

We may pay substantial amounts of cash or incur debt to pay for acquisitions or other strategic transactions, which has occurred in the past and could adversely affect our liquidity. The incurrence of indebtedness would also result in increased fixed obligations and increased interest expense and could also include covenants or other restrictions that would impede our ability to manage our operations. In the past, we have granted restricted stock units ("RSUs") and options to retain employees of acquired companies. We may issue additional equity securities to pay for future acquisitions, which could increase our expenses, adversely affect our financial results, and result in dilution to our stockholders. In addition, any acquisitions or other strategic transactions we announce could be viewed negatively by members, marketers, developers, investors or other stakeholders, which may adversely affect our business or the price of our common stock.

We may also discover liabilities, deficiencies, or other claims associated with the companies or assets we acquire that were not identified in advance, which may result in significant unanticipated costs. The effectiveness of our due diligence review and our ability to evaluate the results of such due diligence are dependent upon the accuracy and completeness of statements and disclosures made or actions taken by the companies we acquire or their representatives, as well as the limited amount of time in which acquisitions are executed. In addition, we may fail to accurately forecast the financial impact of an acquisition or other strategic transaction, including tax and accounting charges. Acquisitions or other strategic transactions may also result in our recording of significant additional expenses to our results of operations and recording of substantial finite-lived intangible assets on our balance sheet upon closing. Any of these factors may adversely affect our financial condition or results of operations.

We may experience operational and financial risks in connection with acquisitions.

We have consummated acquisitions in the past and may continue to seek potential acquisition candidates to add complementary companies, products, services or technologies. The identification of suitable acquisition candidates can be difficult, time-consuming and costly, and we may not be able to successfully complete identified acquisitions. We may experience operational and financial risks in connection with historical and future acquisitions if we are unable to:

- properly value prospective acquisitions, especially those with limited operating histories;
- accurately review acquisition candidates' business practices against applicable laws and regulations and, where applicable, implement proper remediation controls, procedures, and policies;
- successfully integrate the operations, as well as the accounting, financial controls, management information, technology, human resources and other administrative systems, of acquired businesses with our existing operations and systems;
- overcome cultural challenges associated with integrating employees from the acquired company into our organization;
- successfully identify and realize potential synergies among acquired and existing businesses;
- fully identify potential risks and liabilities associated with acquired businesses, including intellectual property infringement claims, violations of laws, commercial disputes, tax liabilities, litigation or other claims in connection with the acquired company, including claims from terminated employees, former stockholders or other third parties, and other known and unknown liabilities;
- retain or hire senior management and other key personnel at acquired businesses; and
- successfully manage acquisition-related strain on our management, operations and financial resources and those of the various brands in our portfolio

Furthermore, we may not be successful in addressing other challenges encountered in connection with our acquisitions. The anticipated benefits of one or more of our acquisitions may not be realized or the value of goodwill and other intangible assets acquired could be impacted by one or more continuing unfavorable events or trends, which could result in significant impairment charges. The occurrence of any of these events could have a material adverse effect on our business, financial condition and results of operations.

Additionally, the integration of acquisitions requires significant time and resources, and we may not manage these processes successfully, particularly with respect to companies that have significant operations or that develop products with which we do not have prior experience. We may make substantial investments of resources to support our acquisitions, which would result in significant ongoing operating expenses and may divert resources and management attention from other areas of our business. If we fail to successfully integrate the companies we acquire, we may not realize the benefits expected from the transactions and our business may be harmed.

Our recently completed acquisitions of Jiobit and Tile present numerous risks that may affect our ability to realize the anticipated strategic and financial goals from the acquisitions.

Risks we may face in connection with our acquisitions and integrations of Jiobit and Tile include, among others:

- We may not realize the benefits we expect to receive from the transactions, including anticipated synergies;
- We may have difficulties managing Jiobit's or Tile's technologies and lines of business or retaining key personnel from Jiobit or Tile;
- The acquisitions may not further our business strategy as we expected, we may not successfully integrate Jiobit or Tile as planned, there could be unanticipated adverse impacts on Jiobit's or Tile's business, or we may otherwise not realize the expected return on our investments, which could adversely affect our business or results of operations and potentially cause impairment to assets that we record as a part of an acquisition;
- Our business, financial condition and results of operations may be adversely impacted by (i) claims or liabilities related to Jiobit's or Tile's business including, among others, claims from government agencies, terminated employees, current or former members, business partners or other third parties; (ii) pre-existing contractual relationships or lines of business of Jiobit or Tile that we would not have otherwise entered into, the termination or modification of which may be costly or disruptive to our business; (iii) unfavorable accounting treatment as a result of Jiobit's or Tile's practices; (iv) intellectual property claims or disputes; and (v) pre-existing lack of controls or difficulty with technical and data integrations resulting in data privacy, data security, and consumer protection risks that could lead to litigation or regulatory investigations or enforcement activity;
- The manufacturing of Tile and Jiobit products is outsourced to a single manufacturer, Jabil, and if the Jabil contract is terminated or not renewed, we would be required to enter into a new agreement with another manufacturer that may not be available on reasonable terms, potentially resulting in new and unexpected operational complexities and costs;
- Jiobit and Tile operate in segments of the commercial market that we have less experience with, including item tracking devices, and expansion of our operations in these segments through the acquisitions could present various integration challenges and result in increased costs and other unforeseen challenges;
- Tile's employees outside of the United States are employed through professional employer organizations, or directly employed by Tile in the case of employees located in Canada, and we may face new and unanticipated challenges in employing this workforce, including integrating these employees into our existing business units and providing benefits and working conditions that comply with the laws in jurisdictions in which we have not operated before;

- We may fail to maintain existing agreements with Jiobit and Tile partners and alternative partnerships may not be available on reasonable terms, or at all;
- We may experience difficulties managing hardware inventories, including tracking movements, supply chain, and associated costs of managing hardware inventories;
- We may fail to effectively integrate and maintain Jiobit and Tile brands and reputations; and
- We may have failed to identify or assess the magnitude of certain liabilities, shortcomings or other risks in Jiobit's or Tile's businesses prior to closing our acquisitions of Jiobit or Tile, which could result in unexpected litigation or regulatory exposure, unfavorable accounting treatment, a diversion of management's attention and resources, and other adverse effects on our business, financial condition and results of operations.

The occurrence of any of these risks could have a material adverse effect on our business, financial condition and results of operations. See "—We may experience operational and financial risks in connection with acquisitions."

We may be unable to effectively integrate the Jiobit and Tile businesses into our operations.

The acquisitions of Jiobit and Tile, their product lines, and all existing equipment, inventory and facilities present significant challenges for our management team. To be successful, we must effectively and efficiently integrate the Jiobit and Tile businesses into our organization, including the Jiobit and Tile product lines, marketing and distribution systems, production facilities, product development teams, and administrative and finance personnel and policies. We must also implement appropriate operational, financial and management systems and controls. We may encounter significant difficulties in this process, any one or more of which could adversely affect our business. The integration process could take longer than anticipated and could result in the loss of valuable employees, the disruption of each company's ongoing businesses, processes and systems or inconsistencies in standards, controls, procedures, practices, policies and compensation arrangements, any of which could adversely affect Life360's ability to achieve the anticipated benefits of the acquisitions. We will also have a number of non-recurring expenses associated with the acquisitions and integrations of Jiobit and Tile. Life360's results of operations could also be adversely affected by any issues attributable to Jiobit's or Tile's operations that arise or are based on events or actions that occurred before the closing of the acquisitions. Life360 may have difficulty addressing possible differences in corporate cultures and management philosophies. The integration process is subject to a number of uncertainties, and the anticipated benefits may not be realized or, if realized, the timing of their realization may be uncertain.

Because of these and other risks, our acquisitions of Jiobit and Tile could fail to produce the revenue, earnings and business synergies that we anticipate, adversely affecting our business.

Our user metrics and other estimates are subject to inherent challenges in measurement, and real or perceived inaccuracies in those metrics may negatively affect our reputation and our business.

We regularly review metrics, including MAUs, Paying Circles, subscription fees paid by Paying Circles for Life360 Premium Memberships, ARPPC, Tile subscriptions and Jiobit subscriptions to evaluate growth trends, measure our performance, and make strategic decisions. Our member metrics are calculated using internal company data gathered on an analytics platform that we developed and operate, have not been validated by an independent third-party and may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our member metrics are also affected by technology on certain mobile devices that automatically runs in the background of our application when another phone function is used, and this activity can cause our system to miscount the member metrics associated with such an account. We continually seek to improve the accuracy of and our ability to track such data but, given the complexity of the systems involved and the rapidly changing nature of mobile devices and systems, we expect to continue to encounter challenges, particularly if we continue to expand in parts of the

world where mobile data systems and connections are less stable. In addition, we may improve or change our methodologies for tracking these metrics over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. As a result, while any future periods may benefit from such improvement or change, prior periods may not be as accurate or comparable, or we may need to adjust such prior periods. The methodologies used to measure these metrics require significant judgment and are also susceptible to algorithm or other technical errors. In addition, our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics undercount or overcount performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our metrics for the applicable period of measurement, there are inherent challenges in measuring how our products and services are used across large populations globally.

Errors or inaccuracies in our metrics or data could also result in incorrect business decisions and inefficiencies. For instance, if a significant understatement or overstatement of active users were to occur, we may expend resources to implement unnecessary business measures or fail to take required actions to attract a sufficient number of users to satisfy our growth strategies. We continually seek to address technical issues in our ability to record such data and improve our accuracy but given the complexity of the systems involved and the rapidly changing nature of mobile devices and systems, we expect these issues to continue, particularly if we continue to expand in parts of the world where mobile data systems and connections are less stable. If our operational metrics are not accurate representations of our business, or if investors do not perceive these metrics to be accurate, or if we discover material inaccuracies with respect to these figures, our reputation may be significantly harmed, we may be subject to litigation, and our business, financial condition and results of operations could be materially adversely affected.

We have had operating losses each year since our inception and we may not achieve or maintain profitability in the future.

We have incurred operating losses each year since our inception and we may not achieve or maintain profitability in the future. Although Life360's revenue, excluding Tile and Jiobit revenue, has increased each quarter since 2016, there can be no assurances that it will continue to do so. Our operating expenses may continue to increase in the future as we increase our sales and marketing efforts and continue to invest in the development of products and services. These efforts may be costlier than we expect and we cannot guarantee that we will be able to increase our revenue to offset our operating expenses. Our revenue growth may slow or our revenue may decline for a number of other possible reasons, including reduced demand for our products or services, increased competition, a decrease in the growth or reduction in size of our overall market, or if we fail for any reason to capitalize on our growth opportunities. If we do not achieve or maintain profitability in the future, it could materially adversely affect our business, financial condition and results of operations.

The limited operating history of our newer brands, products and services makes it difficult to evaluate our current business and future prospects.

We seek to tailor each of our brands, products and services to meet the preferences of specific communities of members. Building a given brand, product or service is generally an iterative process that occurs over a meaningful period of time and involves considerable resources and expenditures. Although certain of our newer brands, products and services may experience significant growth over relatively short periods of time, the historical growth rates of these brands and products and services may not be an indication of their future growth rates generally.

We have encountered, and may continue to encounter, risks and difficulties as we build our newer brands and products. The failure to successfully scale these brands, products and services and address these risks and difficulties could adversely affect our business, financial condition and results of operations.

We have grown rapidly in recent years and have limited operating experience at our current scale of operations. If we are unable to manage our growth effectively, our brands, company culture and financial performance may suffer and place significant demands on our operational, risk management, sales and marketing, technology, compliance and finance and accounting resources.

We have experienced rapid growth and demand for our products and services since inception. We have expanded our operations rapidly, including as a result of organic growth and our acquisitions of Jiobit and Tile, and have limited operating experience at our current size. As we have grown, we have increased our employee headcount and we expect headcount growth to continue for the foreseeable future. Further, as we grow, our business becomes increasingly complex and subject to increased demands on our operational, administrative and financial resources. To effectively manage and capitalize on our growth, we must continue to scale our technology infrastructure and systems to support new products and market expansion, expand our sales and marketing, focus on innovative product and services development and upgrade our management information systems and other processes. Our future growth will depend, among other things, on our ability to maintain an operating platform and management system sufficient to address our growth. Our continued growth could strain our existing resources, and we could experience ongoing operating difficulties in managing our business across numerous jurisdictions, including difficulties in hiring, training, and managing a diffuse and growing employee base. If our management team and other key personnel do not effectively scale with our growth, we may experience erosion to our brands, the quality of our products and services may suffer, and our company culture may be harmed. Moreover, we have been, and may in the future be, subject to legacy claims or liabilities arising from our systems and controls, content or workforce in earlier periods of our rapid development. We must continue to effectively manage challenges relating to maintaining the security of our platform and the privacy and security of the information (including personal information) that is provided and utilized across our platform and implement and maintain adequate financial, business, and risk controls.

Because we have a limited history operating our business at its current scale, it is difficult to evaluate our current business and future prospects, including our ability to plan for and model future growth. Our limited operating experience at this scale, combined with the rapidly evolving nature of the markets in which we operate, substantial uncertainty concerning how these markets may develop, and other economic factors beyond our control, reduces our ability to accurately forecast quarterly or annual revenue. Failure to manage our future growth effectively could have a material adverse effect on our business, financial condition and results of operations.

Our insurance coverage may be inadequate to cover future claims or losses.

We believe we are adequately covered by our current insurance policies and plan to maintain insurance as we consider appropriate for our needs. However, we will not be insured against all risks, either because the appropriate coverage is not available or because we consider the applicable premiums to be excessive in relation to the perceived benefits that would accrue. Accordingly, we may not be fully insured against all losses and liabilities that may arise from our operations. If we incur uninsured losses or liabilities, the value of our assets may be at risk.

The COVID-19 pandemic or the outbreak of any infectious disease in the United States or worldwide has adversely affected, and could continue to adversely affect, our business.

If another pandemic, epidemic, or outbreak of an infectious disease occurs in the United States or worldwide or if there are new or unforeseen consequences or effects of COVID-19, our business may be harmed. The global spread of COVID-19 has caused general business disruption worldwide since January 2020, creating significant volatility, uncertainty, and economic disruption. We have experienced, and continue to experience, effects of the COVID-19 pandemic, which include switching to operating as a remote-first company with plans to continue as such indefinitely. The extent to which the COVID-19 pandemic, or the outbreak of another infectious disease, ultimately impacts our business cannot be predicted and depends on a number of factors that are constantly evolving, including the emergence of new variants and the availability of effective vaccines.

A public health epidemic or pandemic, including COVID-19, poses the risk that Life360 or its employees, contractors, vendors and other business partners may be prevented or impaired from conducting ordinary course business activities for an indefinite period of time, including due to shutdowns necessitated for the health and well-being of our employees, the employees of business partners, or shutdowns that may be requested or mandated by governmental authorities. In addition, in response to COVID-19, we have taken several precautions that may adversely impact employee productivity, such as temporarily imposing travel restrictions, and temporarily closing office locations.

Most of our employees are currently working remotely with the flexibility to work out of one of our offices. The health of our employees is of primary concern at this time and we may need to take additional precautionary measures to protect the health of our employees as the situation evolves. Our management team's focus on the ongoing planning for and mitigating the risks of COVID-19 may reduce their time for other initiatives. As the COVID-19 pandemic continues to evolve, it may lead to employee inefficiencies, operational and cybersecurity risks, logistics disruptions, and other circumstances which could have an adverse impact on our business and results of operations. Even after the COVID-19 pandemic has subsided, we may experience materially adverse impacts to our business as a result of its global economic impact, including any recession that may occur or continue as a result.

COVID-19 has also affected the global supply chain in terms of freight delays, component availability and related price increases. While we have taken measures to minimize the impact of supply chain disruption, if the situation continues or worsens, profit margins and availability of inventory could be negatively affected.

An economic downturn or economic uncertainty may adversely affect consumer discretionary spending and demand for our products and services.

Our products and services may be considered discretionary items for consumers. Factors affecting the level of consumer spending for discretionary items include general economic conditions, consumer confidence in future economic conditions, fears of recession, inflationary pressures, the availability and cost of consumer credit, levels of unemployment, and tax rates. As global economic conditions continue to be volatile or economic uncertainty remains, trends in consumer discretionary spending also remain unpredictable and subject to reductions. Unfavorable economic conditions may lead consumers to delay or reduce purchases of our products and services and consumer demand for our products and services may not grow as we expect. Our sensitivity to economic cycles and any related fluctuation in consumer demand for our products and services may have an adverse effect on our business, financial condition and results of operations.

We are affected by seasonality.

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Life360 has historically experienced member and subscription growth seasonality in the third quarter of each calendar year, which includes the return to school for many of our members. Tile has historically experienced revenue seasonality in the fourth quarter of each calendar year, which includes the important selling periods in November (Black Friday and Cyber Monday) and December (Christmas and Hanukkah) in large part to seasonal holiday demand. For example, during the fiscal years ended March 31, 2021 and March 31, 2020, the third quarters accounted for 48% and 39% of Tile's total revenue, respectively. In the three months ended December 31, 2021 and 2020, Tile generated approximately 31% and 28%, respectively, of our fiscal year total revenue. Accordingly, an unexpected decrease in sales over those traditionally high-volume selling periods may impact our revenue and could also result in surplus inventory and could have a disproportionate effect on our results of operations for the entire fiscal year. Seasonality in our business can also be affected by introductions of new or enhanced products and services, including the costs associated with such introductions.

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We derive a portion of our revenues from lead generation offerings. If we are unable to continue to compete for these lead generation offerings, or if any events occur that negatively impact our relationships with potential advertising partners, our advertising revenues and results of operations will be negatively impacted.

We generate a portion of our revenue by delivering product offerings from partners to members in contextually relevant ways that do not feel like advertisements. Currently, lead generation at Life360 is limited to displaying auto insurance offers in the Life360 app after the member has indicated they are interested in receiving such offers by clicking on the advertisement within the app. These lead generation advertisements are broadly displayed to all members and our partners bid for advertisement placements by setting a budget for a driving score tier. Individual driving scores are not provided to advertisers. In the future, we may offer additional third-party solutions through lead generation.

We are developing additional functionality within the Life360 app to enable members to control the use of their data including to opt-out of lead generation offers. There is a risk that members may not engage with the lead generation offering at the scale necessary for potential advertising partners to spend any of their advertising budget on the lead generation offering. There is a risk that advertisers will not utilize the lead generation offering. A failure to grow the lead generation offering may have a material adverse impact on our business, financial condition and results of operations.

Our operating margins may decline as a result of increasing product costs and inflationary pressures.

Our business is subject to significant pressure on pricing and costs caused by many factors, including intense competition, the cost of components used in our products, labor costs, constrained sourcing capacity, inflationary pressure, pressure from subscribers to reduce the prices we charge for our products and services, and changes in consumer demand. Costs for the raw materials used in the manufacture of our products are affected by, among other things, energy prices, consumer demand, fluctuations in commodity prices and currency, and other factors that are generally unpredictable and beyond our control. Increases in the cost of raw materials used to manufacture our products or in the cost of labor and other costs of doing business in the United States and internationally could have an adverse effect on, among other things, the cost of our products, gross margins, results of operations, financial condition and cash flows. Moreover, if we are unable to offset any decreases in our average selling price by increasing our sales volumes or by adjusting our product mix, our business, financial condition and results of operations may be harmed.

The unaudited pro forma financial information included in this Registration Statement may not be representative of our future financial condition and results of operations.

The pro forma financial information contained in this Registration Statement is unaudited and is based, in part, on certain estimates and assumptions that we believe are reasonable. Our estimates and assumptions may not prove to be accurate over time. For example, we have made a preliminary allocation of the estimated purchase price paid as compared to the net assets acquired in the Tile Acquisition, as if the Tile Acquisition had closed on the dates indicated in the applicable pro forma presentations. When the actual calculation and allocation of the purchase price to net assets acquired is performed, it will be based on the net assets assumed at the effective date of the Tile Acquisition and other information at that date to support the allocation of the fair values of Tile's assets and liabilities. Accordingly, the actual amounts of net assets will vary from the pro forma amounts, and the final valuation of Tile may be materially different than as reflected in the unaudited pro forma financial data contained herein. See our Unaudited Pro Forma Condensed Combined Financial Data and the notes thereto included in Item 13 of this Registration Statement. As a result of the foregoing, the unaudited pro forma financial information contained in this Registration Statement may not accurately reflect what our results of operations and financial condition would have been had we been a combined entity during the periods presented, or what our results of operations and financial condition will be in the future. The challenge of integrating previously independent businesses makes evaluating our business and our future financial prospects difficult.

We may require additional capital to support business growth and objectives, and this capital might not be available to us on reasonable terms, if at all, and may result in stockholder dilution.

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We expect that our existing cash and cash equivalents provided by sales of our subscriptions will be sufficient to meet our anticipated cash needs and business objectives for at least the next 12 months. Our future capital requirements will depend on many factors, including our subscription growth rate, subscription renewal activity, the timing and the amount of cash received from subscribers, the timing and extent of spending to support development efforts, the expansion of sales and marketing activities, the introduction of new and enhanced product offerings, and the continuing market adoption of our platform. We may, in the future, enter into arrangements to acquire or invest in complementary businesses, services, and technologies. However, we intend to continue to make investments to support our business growth and may require additional capital to fund our business and to respond to competitive challenges, including the need to promote our products and services, develop new products and services, enhance our existing products, services, and operating infrastructure, and potentially to acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. Any such additional funding may not be available on terms attractive to us, or at all. Our inability to obtain additional funding when needed could have an adverse effect on our business, financial condition and results of operations. If additional funds are raised through the issuance of equity or convertible debt securities, holders of our common stock could suffer significant dilution, and any new shares we issue could have rights, preferences, and privileges superior to those of our common stock. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions.

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The accounting method for our outstanding convertible notes, embedded derivatives and other similar financial instruments could have a material effect on our reported financial results.

Our outstanding convertible notes, embedded derivatives and other similar financial instruments, which require mark-to-market accounting treatment and could result in a gain or loss on a quarterly basis with regards to the mark-to-market value of that feature. Such accounting treatment could have a material impact on, and could potentially result in significant volatility in, our quarterly results of operations. In addition, we may be required to make cash payments upon the termination of any of these derivative contracts.

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If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our results of operations could be adversely affected.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes appearing elsewhere in this Form 10. We base our estimates on short duration historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled "Life360 Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Significant Management Estimates" and "Tile Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Significant Management Estimates." The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenue and expenses. Significant estimates and judgments for the Company involve: revenue recognition, subscription revenue arrangements with multiple performance obligations, sale incentives, other revenue, costs capitalized to obtain contracts, stock-based compensation expense, common stock valuations, inventory valuation and income tax. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the market price of our common stock.

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Risks Related to Privacy and Cybersecurity

We are subject to laws and regulations concerning data privacy, data security, consumer protection, advertising, tracking, targeting and the protection of minors and these laws and regulations are continually evolving. Our actual or perceived failure to comply with these laws and regulations could result in regulatory investigations, claims (including class action or similar lawsuits), monetary penalties, changes to our business practices, reputational damage, increased cost of operations, or declines in member growth or engagement, or otherwise materially and adversely harm our business, financial condition and results of operations.

We collect, store, use, share and otherwise process data, some of which contain personal information about individuals including, among other things, the contact details, network details, payment information, biometric data, and precise geolocation data of individuals such as our members, employees and partners (and their devices), as well as information collected from children and minors under age 16 and their devices. We are therefore subject to U.S. (federal, state, local) and international laws and regulations regarding data privacy and security and the processing of personal information and other data from members, employees or business partners, and these laws and regulations are constantly evolving and being tested in courts and by regulators. The regulatory framework for privacy, data protection and information security, both nationally and worldwide and the interpretations of existing laws and regulations is likely to continue to be uncertain, and current or future legislation or regulations in the United States and other jurisdictions, or new interpretations of existing laws and regulations, could significantly restrict or impose conditions on our ability to process data and increase notice or consent requirements, including before we can utilize certain advertising technologies.
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Our business involves the collection and processing of different categories of personal information, including precise geolocation data and children's data, which are considered to be particularly sensitive and high risk by regulators. In particular, the processing of precise location data and children's data is afforded special protections under U.S. and international privacy laws. In the EEA and the UK, for example, the collection and use of children's data and location data by companies are particular focus areas for enforcement by local data protection regulators. The processing of sensitive data categories could subject us to increased risk of regulatory investigations, litigation, media scrutiny and negative public relations. Given that we allow global access to our products and services, with the Life360 app and Tile app currently being available for download in over 170 countries through the Apple App Store and over 130 countries through the Google Play Store as of March 31, 2022, which may result in local privacy laws applying and given the rapidly evolving privacy regulatory landscape and increasingly strict interpretation and enforcement of the same, our privacy governance, internal controls, disclosures, member interfaces and other compliance measures may not be deemed adequate for the sensitivity of our data processing and sharing activities in all jurisdictions in which our services are available. We are in the process of strengthening our enterprise-wide privacy program, instituting reforms and adding additional controls around privacy by extending policies and practices followed at Tile and Jiobit to group level, but our compliance program now, or in the future, may not be sufficient to fully mitigate compliance risk or ensure compliance with applicable global data privacy and data protection laws and regimes.
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In the United States, we are subject to numerous federal, state and local data privacy and security laws and regulations governing the processing of information about individuals, including federal and state data privacy laws, marketing and communications laws, laws regarding credit reports, data breach notification laws, and consumer protection laws. For example, the Federal Trade Commission ("FTC") and many state attorneys general are interpreting federal and state consumer protection laws to impose standards for the online collection, use, dissemination, and security of personal information. Such standards require us to publish statements that describe how we handle personal information and choices individuals may have about the way we handle their personal information. Although we endeavor to ensure that our public statements are complete, accurate and fully implemented, we may at times fail to do so or be alleged to have failed to do so. If such information that we publish is, or is considered to be, untrue or inaccurate, we may be subject to government claims of unfair or deceptive trade practices, which could lead to potential regulatory or other legal action, significant liabilities and

other consequences. Moreover, according to the FTC, violating consumers' privacy rights or failing to take appropriate steps to keep consumers' personal information secure may constitute unfair acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act. State consumer protection laws provide similar causes of action for unfair or deceptive practices. Moreover, some states, such as California and Massachusetts, have passed specific laws mandating reasonable security measures for the handling of consumer data. Further, privacy advocates and industry groups have regularly proposed and sometimes approved, and may propose and approve in the future, self-regulatory standards with which we must legally comply or that contractually apply to us.

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Providers of online websites, applications and services, like us, are subject to various laws, regulations and other requirements relating to unfair and deceptive practices, the protection of minors, stalking and surveillance, and notice and consent obligations, for example in connection with subscriptions and autorenewal payment terms, communications and advertising through email, telephonic calls or text messages, children's privacy and protection, which if violated, could subject us to an increased risk of litigation and regulatory actions. We are subject to COPPA which applies to operators of commercial websites and online services directed to U.S. children under the age of 13 that collect personal information from children, and to operators of general audience websites with actual knowledge that they are collecting information from U.S. children under the age of 13. COPPA is subject to interpretation by courts and other governmental authorities, including the FTC, and the FTC is authorized to promulgate, and has promulgated, revisions to regulations implementing provisions of COPPA, and provides non-binding interpretive guidance regarding COPPA that changes periodically with little or no public notice. COPPA may be enforced by States Attorneys General or the FTC, which is empowered to impose statutory monetary penalties of up to $46,517 per violation as well as injunctive and equitable relief for violations. Although we strive to ensure that our business and mobile application are compliant with applicable COPPA provisions, these provisions may be modified, interpreted, or applied in new manners that we may be unable to anticipate or prepare for appropriately, and we may incur substantial costs or expenses in attempting to modify our systems, platform, applications, or other technology to address changes in COPPA or interpretations thereof. If we fail to accurately anticipate the application, interpretation or legislative expansion of COPPA we could be subject to governmental enforcement actions, litigation, fines and penalties, non-monetary obligations that may negatively affect our business. For example, the FTC has reached stipulated judgments or agreed decisions and orders as a result of enforcement actions against other companies, in which such stipulated judgments or orders mandate changes to the ways in which companies provide notice to or receive consents from members related to such companies' data practices, and/or require deletion or restrict usage of data, augmentation of privacy controls, and/or payment of fines and penalties in cases where financial remedies are legally available, such as matters involving violations of COPPA. Such FTC stipulated judgments and agreed decisions and orders typically involve costly consent decrees with a term of up to 20 years, which require strict adherence to these data processing requirements and restrictions, and periodic third-party auditing of the company's adherence to such standards. In addition, any such action could result in adverse publicity and we could be in breach of our client contracts and our clients could lose trust in us, which could harm our reputation and business.

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Our communications with our members are subject to certain laws and regulations, including the Controlling the Assault of Non-Solicited Pornography and Marketing ("CAN-SPAM") Act of 2003, the Telephone Consumer Protection Act of 1991 (the "TCPA"), and the Telemarketing Sales Rule and analogous state laws, that could expose us to significant damages awards, fines and other penalties that could materially impact our business. For example, the TCPA imposes various consumer consent requirements and other restrictions in connection with certain telemarketing activity and other communication with consumers by phone, fax or text message. The CAN-SPAM Act and the Telemarketing Sales Rule and analogous state laws also impose various restrictions on marketing conducted use of email, telephone, fax or text message. As laws and regulations, including FTC enforcement, rapidly evolve to govern the use of these communications and marketing platforms, the failure by us, our employees or third parties acting at our direction to abide by applicable laws and regulations could adversely impact our business, financial condition and results of operations or subject us to fines or other penalties. In addition, many state legislatures have adopted legislation that regulates how businesses operate online, including measures relating to privacy, data security, and data breaches.

In addition, many state legislatures have adopted legislation that regulates how businesses operate online, including measures relating to privacy, data security, and data breaches. Such legislation includes the CCPA, which came into force in 2020, creates new data privacy rights for California consumers and imposes obligations on companies like us that process their personal information. Among other things, the CCPA gives California consumers the right to access and delete their personal information and receive detailed information about how their personal information is used and shared. The CCPA also provides California consumers the right to opt-out of certain sales of personal information and may restrict the use of cookies and similar technologies for advertising purposes. The law also prohibits covered businesses from discriminating against consumers (for example, by charging more for services) for exercising any of their CCPA rights. The CCPA imposes statutory damages of up to $2,500 for each violation, which increases to $7,500 if the violation is deemed "intentional," for certain violations of the law as well as a private right of action for certain data breaches that result in the loss of personal information. This private right of action is expected to increase the likelihood of, and risks associated with, data breach litigation. Additionally, California voters approved a new privacy law, the CPRA, creating obligations relating to consumer data beginning on January 1, 2022, with implementing regulations expected on or before July 1, 2022, and enforcement beginning July 1, 2023. The CPRA will significantly modify the CCPA, including by expanding consumers' rights and establishing a new state agency that will be vested with authority to implement and enforce the CCPA and the CPRA. With CPRA regulations and enforcement actions still pending, the proper interpretation and implementation of aspects of the CCPA and CPRA remain unclear, resulting in further uncertainty and potentially requiring us to modify our data practices and policies and to incur substantial additional costs and expenses in an effort to comply.
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The CCPA and CPRA have encouraged other states to pass or propose comparable legislation, with potentially greater penalties, and more rigorous compliance requirements relevant to our business. For example, the VCDPA and the CDPA will go into effect in 2023 and will impose obligations similar to or more stringent than those we may face under other data privacy and security laws. The CPRA, VCDPA, CDPA and UCAP introduce new and additional compliance obligations with respect to the collection and use of "sensitive" personal information, including precise geolocation data and information relating to children and minors under 16. Similar laws have been proposed in other states and at the federal level, reflecting a trend toward more stringent privacy legislation in the United States, and the enactment of such laws could have potentially conflicting requirements that would make compliance challenging and cost- and time-intensive, and may require us to modify our data processing practices and policies and to incur substantial costs and potential liability in an effort to comply with such legislation.
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Moreover, in connection with our parental consent mechanism provided through a third-party vendor, we may be subject to certain U.S. state laws regarding the processing of biometric identifiers, including the Illinois Biometric Information Privacy Act (the "BIPA"), which applies to the collection and use of "biometric identifiers" and "biometric information," which include finger and face prints. A business required to comply with the BIPA is not permitted to sell, lease, trade or otherwise profit from biometric identifiers or biometric information it collects, and is also under obligations to have a written policy with respect to the retention and destruction of all biometric identifiers and biometric information; ensure that it informs the subject of the collection and the purpose of the collection and obtains consent for such collection; and obtain consent for any disclosure of biometric identifiers or biometric information. Individuals are afforded a private right of action under the BIPA and may recover statutory damages equal to the greater of $1,000 or actual damages and reasonable attorneys' fees and costs. Several class action lawsuits have been brought under the BIPA, as the statute is broad and still being interpreted by the courts.

In addition, some laws may require us to notify governmental authorities and/or affected individuals of data breaches involving certain personal information or other unauthorized or inadvertent access to or disclosure of such information. We may need to notify governmental authorities and affected individuals with respect to such incidents. For example, laws in all 50 U.S. states may require businesses to provide notice to consumers whose personal information has been disclosed as a result of a data breach. These laws are not consistent with each other, and compliance in the event of a widespread data breach may be difficult and costly. We also may be

contractually required to notify consumers or other counterparties of a security incident, including a breach. Regardless of our contractual protections, any actual or perceived security incident or breach, or breach of our contractual obligations, could harm our reputation and brand, expose us to potential liability or require us to expend significant resources on data security and in responding to any such actual or perceived breach.

We are subject to the EU GDPR and applicable national supplementing laws and to the UK GDPR and the UK Data Protection Act 2018, in each case in relation to our collection, control, processing, sharing, disclosure and other use of data relating to an identifiable living individual (personal data). The EU GDPR and UK GDPR impose a strict data protection compliance regime including: maintaining a record of data processing; providing detailed disclosures about how personal data is collected and processed (in a concise, intelligible and easily accessible form); obtaining consent or relying on an alternative legal basis to justify data processing activities, including, for example, with respect to processing geolocation data and children's data for marketing and other purposes; conducting data privacy impact assessments where processing is likely to result in a high risk to the rights and freedoms of individuals (including children); complying with specific obligations, including statutory codes of practice, regarding the collection and use of personal data relating to children such as regarding default privacy settings; ensuring appropriate safeguards are in place where personal data is transferred out of the EEA and the UK; complying with rights for data subjects in regard to their personal data (including data access, erasure and portability); notifying data protection regulators, and in certain cases, affected individuals, of significant data breaches; and complying with the principle of accountability and the obligation to demonstrate compliance through policies, procedures, training and audit.
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We are also subject to EU rules with respect to cross-border transfers of personal data from the EEA and the UK. Recent legal developments in Europe have created complexity and uncertainty regarding such transfers, including specifically to the United States. On July 16, 2020, the CJEU invalidated the EU-U.S. Privacy Shield Framework, or Privacy Shield, under which personal data could be transferred from the EEA to U.S. entities who had self-certified under the Privacy Shield scheme. While the CJEU upheld the adequacy of the standard contractual clauses (a standard form of contract approved by the EU Commission as an adequate personal data transfer mechanism, and potential alternative to the Privacy Shield), it made clear that reliance on them alone may not necessarily be sufficient in all circumstances and transfers must be assessed on a case by case basis. U.S. and EU officials are actively seeking a solution to replace the personal data transfer mechanism struck down by the CJEU. On March 25, 2022, the U.S. and the European Commission committed to the Trans-Atlantic Data Privacy Framework to enable trans-Atlantic data flows and address the concerns raised by the CJEU in its July 2020 opinion. There is no clear timeline for the enactment of this new framework. Moreover, once enacted the new framework is likely to be subject to legal challenges and may be struck down by the CJEU. To safeguard our data transfers from the EEA and the UK to third parties in other jurisdictions, including the United States, we currently utilize standard contractual contracts approved by the EU Commission. Both the EU Commission and UK government have published revised standard contractual clauses for data transfers from the EEA and UK respectively, and we will need to implement the revised standard contractual clauses, in relation to relevant vendor/partner arrangements, within the relevant time frames.

Further, regulatory authorities are taking enforcement action with respect to data exports. For example, the Austrian and French regulators have found that the use of Google analytics is in breach of the EU GDPR's data transfer provisions (on the basis that sufficient safeguards are not in place to ensure that the transferred data to Google in the United States has a level of protection essentially equivalent to that in the EU), and the Irish regulator has issued a draft decision requiring Meta to suspend the transfer of personal data from the EU to the United States. As regulators issue further orders and guidance on personal data export mechanisms, including circumstances where the standard contractual clauses cannot be used, and continue taking enforcement action, we could suffer increased costs to ensure compliance as well as additional complaints and/or regulatory investigations or fines, and/or if we are otherwise unable to transfer personal data between and among countries and regions in which we make our apps available for download, it could affect the manner in which we provide our services, the geographical location or segregation of our relevant systems and operations, and could adversely affect our business, financial condition and results of operations.
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Fines for certain breaches of the EU GDPR can result in fines of up to the greater of EUR 20 million or 4% of total global annual turnover, and fines for certain breaches of the UK GDPR can result in fines of the greater of GBP 17.5 million or 4% total global annual turnover. As we are under the supervision of local data protection authorities in both the UK and the EEA, we may be fined under both the EU GDPR and UK GDPR for the same breach. In addition to the foregoing, a breach of the EU GDPR or UK GDPR could result in regulatory investigations, reputational damage, orders to cease/ change our processing of our data, enforcement notices, assessment notices (for a compulsory audit) and/or litigation (including class actions).

We are also subject to evolving EU and UK privacy laws on cookies, tracking technologies and e-marketing. In the EU and the UK, regulators are increasingly focusing on compliance with current national laws that implement the ePrivacy Directive. Informed consent is required for the placement of certain cookies or similar tracking technologies that store information on, or access information stored on, an individual's device for direct electronic marketing. Consent is tightly defined and includes prohibition on pre-checked consents and a requirement to obtain separate consents for each type of cookie or similar technology. The ePrivacy Directive may be replaced by an EU regulation known as the ePrivacy Regulation that will significantly increase fines for non-compliance. While the text of the ePrivacy Regulation is still under development, recent European court and regulator decisions are driving increased attention to cookies and similar tracking technologies. If the trend of increasing enforcement by regulators of the strict approach in recent decisions and guidance continues, this could lead to substantial costs, require significant systems changes, limit the effectiveness of our marketing activities, divert the attention of our technology personnel, adversely affect our margins, increase costs and subject us to additional liabilities. Regulation of cookies and similar technologies, and any decline of cookies or similar online tracking technologies as a means to identify and potentially target members, may lead to broader restrictions and impairments on our marketing and personalization activities and may negatively impact our efforts to understand members.

We depend on a number of third parties in relation to the operation of our business, a number of which process personal information on our behalf. We have a policy in place to mitigate the associated risks of using third parties by entering into contractual arrangements directing providers to only process personal information according to our instructions, and to have appropriate technical and organizational security measures in place. There is no assurance that these contractual measures and our own privacy and security-related safeguards will protect us from the risks associated with the third-party processing, storage and transmission of such information. Any violation of data or security laws by our third-party processors could have a material adverse effect on our business and result in the fines and penalties outlined above.

Further, because we accept debit and credit cards for payment, we are subject to the Payment Card Industry Data Security Standard (the "PCI Standard"), issued by the Payment Card Industry Security Standards Council, with respect to payment card information. The PCI Standard contains compliance guidelines with regard to our and our payment processors' security surrounding the physical and electronic storage, processing and transmission of cardholder data. Compliance with the PCI Standard and implementing related procedures, technology and information security measures requires significant resources and ongoing attention. Costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology, such as those necessary to achieve compliance with the PCI Standard or with maintenance or adequate support of existing systems could also disrupt or reduce the efficiency of our and our payment processors' operations. Any material interruptions or failures in our payment related systems could have a material adverse effect on our business, results of operations and financial condition. If there are amendments to the PCI Standard, the cost of recompliance could also be substantial and we may suffer loss of critical data and interruptions or delays in our and our payment processors' operations as a result. If we are unable to comply with the security standards established by banks and the payment card industry, we may be subject to fines, restrictions and expulsion from card acceptance programs, which could materially and adversely affect our business.

Given that we allow global access to our products and services, the evolving privacy law landscape and uncertain interpretation and enforcement of such laws, we may not comply with the rapidly changing data

privacy and data security laws, regulations, policies and legal obligations discussed above, and any current compliance is subject to change based on this shifting landscape. We are in the process of strengthening and documenting our data privacy and security compliance program and therefore may not be in compliance with all data governance and other requirements under applicable data privacy and data security laws, regulations, policies and legal obligations. Moreover, it is possible that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. It is also possible that new laws, policies, legal obligations, or industry codes of conduct may be passed, or existing laws, policies, legal obligations, or industry codes of conduct may be interpreted in such a way that could prevent us from being able to offer services to individuals located in a certain jurisdiction or may make it costlier or more difficult for us to do so. It is also possible that certain governments may seek to block or limit our products or otherwise impose other restrictions that may affect the accessibility or usability of any or all our products for an extended period of time or indefinitely. The costs of complying with these laws and regulations, which in some cases can be enforced by private parties in addition to government entities, are high and likely to increase in the future, particularly as the degree of regulation increases, our business grows and our geographic scope and member base expands. The impact of these laws and regulations may disproportionately affect our business in comparison to our peers in the technology sector that have greater resources.

Any failure or perceived failure by us to comply with our posted privacy policies, our privacy-related obligations to members or other third parties, or any laws or regulations concerning data privacy, data security, consumer protection, and protection of minors; or any compromise of security that results in the unauthorized release or transfer of personal information or other member data, may result in governmental investigations or enforcement actions, monetary penalties or fines, litigation, claims (including class actions), public statements against us by consumer advocacy groups or others, or negative media coverage and could result in significant liability, cause our members to lose trust in us, and otherwise materially and adversely affect our reputation and business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, and policies that are applicable to us are high and likely to increase in the future, particularly as the degree of regulation increases, our business grows and our geographic scope expands. Additionally, if third parties we work with, such as our service providers or data sharing partners, violate applicable laws, regulations, or our contractual agreements, such violations may put our members' and/or employees' data at risk, which could result in governmental investigations or enforcement actions, fines, litigation, claims (including class action claims) or public statements against us by consumer advocacy groups or others or negative media coverage and could result in significant liability, cause our members to lose trust in us, and otherwise materially and adversely affect our reputation and business. The impact of these laws and regulations could disproportionately affect our business in comparison to our peers in the technology sector that have greater resources. Further, public scrutiny of, or complaints about, technology companies or their data handling or data privacy and security practices, even if unrelated to our business, industry or operations, may lead to increased scrutiny of technology companies, including us, and may cause government agencies to enact additional regulatory requirements, or to modify their enforcement or investigation activities, which may increase our costs and risks.
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Providers of online websites, applications and services are subject to various laws, regulations and other requirements relating to unfair and deceptive practices, the protection of minors, stalking and surveillance, and notice and consent obligations (for example in connection with subscriptions and autorenewal payment terms, communications and advertising through email, telephonic calls or text messages) which, if violated, could subject us to an increased risk of litigation and regulatory actions.

Children's privacy has been a regular focus of regulatory enforcement activity and subjects our business to potential liability that could adversely affect our business, financial condition and results of operations. The FTC and state attorneys general in the United States have in recent years increased enforcement of COPPA. In addition, the EU GDPR prohibits certain processing of personal information of children under the age of 13 to 16 (depending on jurisdiction) without parental consent. The CCPA requires companies to obtain the consent of children in California under the age of 16 (or parental consent for children under the age of 13) before selling their personal information. In addition, several jurisdictions have issued enforceable codes for designing online
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services that will be used by children. Our services include the collection of data, including personal information and precise geolocation data, directly from devices associated with children, which fall within the scope of these child privacy laws, regulations and requirements.

We are at present, and have been in the past, subject to regulatory inquiries relating to our business practices, including those related to data processing activities, and we expect to continue to be subject to such proceedings in the future, which could cause us to incur substantial costs or require us to change our business practices in a manner materially adverse to our business, financial condition and results of operations.

From time to time, we receive inquiries from regulatory authorities regarding our compliance with laws and regulations, including those related to data privacy, consumer rights and compliance with privacy laws. We are presently the subject of multiple inquiries or investigations by regulatory authorities related to our data processing practices and compliance with laws and regulations.

Given the increased regulatory scrutiny by regulatory authorities such as the FTC, U.S. state Attorneys General, data protection authorities and supervisory authorities with respect to the processing of consumer personal information (and especially regarding geolocation-based information and information about children and minors), we expect to continue to be the subject of regulatory inquiries in the future by regulators domestically and internationally. Any such inquiry could result in further investigations or proceedings and adverse publicity alleging misconduct and may lead to increased scrutiny or actions taken by regulatory authorities into alleged but unproven conduct which could harm our reputation and business. We cannot predict the outcome of any particular inquiry at this time. If, as a result of any such regulatory investigation or inquiry, our data processing practices are found to have violated existing law or regulation, we could be liable for substantial monetary fines, in addition to a potential injunction, court costs and fees. If, as a result of a regulatory investigation or inquiry, we are found to have failed to comply with a privacy or consumer protection law or regulation, we could be subject to adverse publicity and our members could lose trust in us, which could harm our reputation and business.

In addition, it is possible that any future order issued by, or settlement entered into with, a regulatory authority could cause us to incur substantial costs, reputational harms, or require us to change our business practices in a manner materially adverse to our business, financial condition or results of operations.

Security breaches of our networks, systems or applications, improper unauthorized access to or disclosure of our proprietary data or member data, including personal information, other hacking and phishing attacks on our systems or service, or other cyber incidents could disrupt our services or compromise sensitive information related to our business and/or personal information processed by us or on our behalf and expose us to liability, which could harm our reputation and materially adversely affect our business, financial condition and results of operations.

Our products and services, and the operation of our business, involve the collection, storage, processing, and transmission of data, including personal information, such as precise geolocation data and information relating to children and minors under 16 and their devices. The information systems that store and process such data are susceptible to increasing threats of continually evolving cybersecurity risks that become more complex over time and generally are not recognized until launched against a target. As a result, we and our third-party service providers may be unable to anticipate these techniques or implement adequate preventative measures in a timely enough manner to prevent either an electronic intrusion into our systems or services or a compromise of customer data or other confidential information, and we and they may face difficulties or delays in identifying or otherwise responding to any potential security breach or incident. In particular, our industry is prone to cyber-attacks by third parties seeking unauthorized access to confidential or sensitive data, including member personal information, or to disrupt our ability to provide services. We and companies in our industry face an ever-increasing number of threats to our information systems from a broad range of threat actors, including foreign governments, criminals, competitors, computer hackers, cyber terrorists and politically motivated groups or individuals, and we have previously experienced various attempts to access our information systems. These threats include physical or electronic break-ins, security breaches from inadvertent or intentional actions by our employees, contractors,

consultants, and/or other third parties with otherwise legitimate access to our systems, website or facilities, or from cyber-attacks by malicious third parties which could breach our data security and disrupt our systems. The motivations of such actors may vary, but breaches that compromise our information technology systems or the personal information processed on such systems can cause interruptions, delays or operational malfunctions, which in turn could have a material adverse effect on our business, financial condition and results of operations and prospects. The security measures we have integrated into our internal systems and platform, which are designed to detect unauthorized intrusions or activity and prevent or minimize security breaches, may not function as expected or may not be sufficient to protect our internal networks and platform against certain attacks and other security incidents and attacks of varying degrees from time to time. For example, we were one of many of Codecov's customers that were impacted by a supply-chain attack on Codecov's servers. This attack resulted in unauthorized access to, and copying of, certain of our source code repositories. Based on the contents of those repositories, we do not believe such unauthorized access and copying resulted in the exposure of our material intellectual property or any customer data, or had any impact on our own products or services. Such breach does highlight, along with other recent supply-chain attacks against other companies such as Solar Winds, the growing risk of compromise of owned and third-party software. In the future, we could experience a similar style attack or could become the subject of one through a supply chain compromise.

In addition, the risks related to a security breach or disruption, including through, a distributed denial-of-service attack, computer malware, viruses, social engineering (predominantly spear phishing attacks), and general hacking, have become more prevalent in our industry and have generally increased as the number, intensity, and sophistication of attempted attacks and intrusions from around the world have increased. In particular, ransomware attacks, including those from organized criminal threat actors, nation-states, and nation-state supported actors, are becoming increasingly prevalent and severe, and can lead to significant interruptions in our operations, loss of data and income, reputational loss, diversion of funds, and may result in fines, litigation and unwanted media attention. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting payments.

Such security incidents and disruptions may occur on our systems in the future. We also regularly encounter attempts to create false or undesirable member accounts or take other actions on our platform for objectionable ends. We cannot guarantee that we will not experience material or adverse effects from any future incident. As a result of our prominence, the size of our member base, the volume of personal information on our systems, and the evolving nature of our products and services (including our efforts involving new and emerging technologies), we may be a particularly attractive target for such attacks, including from highly sophisticated, state-sponsored, or otherwise well-funded criminal actors.

Our efforts to address undesirable activity on our platform also increase the risk of retaliatory attacks. Such breaches and attacks on us or our third-party service providers may cause interruptions to the services we provide, degrade the member experience, cause members or marketers to lose confidence and trust in our products and decrease the use of our products or stop using our products in their entirety, impair our internal systems, or result in financial harm to us. Any failure to prevent or mitigate security breaches and unauthorized access to or disclosure of our data or member data, including personal information, content, or payment information from members, or information from marketers, could result in the loss, modification, disclosure, destruction, or other misuse of such data, which could subject us to legal liability and penalties, harm our business and reputation and diminish our competitive position. We may incur significant costs in protecting against or remediating such incidents and as cybersecurity incidents continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities. Our efforts to protect our confidential and sensitive data, the data of our members or other personal information we receive, and to prevent or disable undesirable activities on our platform, may also be unsuccessful due to software bugs or other technical malfunctions; employee, contractor, or vendor error or malfeasance, including defects or vulnerabilities in our service providers' information technology systems or offerings; government surveillance; breaches of physical security of our facilities or technical infrastructure; or other threats that may surface or evolve.

In addition, third parties may attempt to fraudulently induce employees or members to disclose information in order to gain access to our data or our members' data, including account credentials, such as member names, passwords, or other information that could compromise the security of our internal networks, electronic systems, or physical facilities in order to gain access to our systems, services, data or our members' data, which could result in significant legal and financial exposure, a loss of confidence in the security of our platform, interruptions, or malfunctions in our operations, account lock outs, and, ultimately, harm to our business, financial condition and results of operations. Cyber-attacks continue to evolve in sophistication and volume and may be difficult to detect for long periods of time. Although we have developed systems and processes that are designed to protect our data and member data, to prevent data loss, to disable undesirable accounts and activities on our platform, these measures may not be successful, anticipate or detect all cyber-attacks or other breaches, or that we will be able to react to cyber-attacks or other breaches in a timely manner, or that our remediation efforts will be successful. We may incur significant costs in connection with such remediation efforts, including the costs of notifying applicable regulators and affected members, or offering credit monitoring services. We may also incur significant legal and financial exposure, including legal claims, higher transaction fees and insurance policy rates, and regulatory fines and penalties as a result of any compromise or breach of our systems or data security, or the systems and data security of our third-party providers. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, some of our partners may receive or store information provided by us or by our members through mobile or web applications integrated with our applications and we use third-party service providers to store, transmit and otherwise process certain confidential, sensitive or personal information, including precise geolocation data and information relating to children and minors under 16 and their devices, on our behalf. If these third parties fail to adopt or adhere to adequate data security practices, or in the event of a breach of their networks, our data or our members' data may be improperly accessed, used, or disclosed, which could subject us to legal liability. We cannot control such third parties and cannot guarantee that a security breach will not occur on their systems. Although we may have contractual protections with our third-party service providers, contractors and consultants, any actual or perceived security breach could harm our reputation and brands, expose us to potential liability or require us to expend significant resources on data security and in responding to any such actual or perceived breach. Any contractual protections we may have from our third-party service providers, contractors or consultants may not be sufficient to adequately protect us from any such liabilities and losses, and we may be unable to enforce any such contractual protections.

While our insurance policies include liability coverage for certain of these matters, subject to retention amounts that could be substantial, if we experience a significant security incident, we could be subject to liability or other damages that exceed our insurance coverage and we cannot be certain that such insurance policies will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, financial condition and results of operations and cash flows.

We are subject to a number of risks related to data security breaches and fraud that third parties experience or additional regulation, any of which could materially adversely affect our business, financial condition and results of operations.

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In addition to purchases through the Apple App Store and the Google Play Store, we accept payment from our subscribers through credit card transactions processed through a third party as well as third-party online payment service providers and mobile payment platforms. The ability to access credit card information on a real-time basis without having to proactively reach out to the consumer each time we process an auto-renewal payment or a payment for the purchase of a premium feature on any of our products is critical to our success and a seamless experience for our subscribers.

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When a third party experiences a data security breach involving credit card information, affected cardholders will often cancel their credit cards. In the case of a breach experienced by a third party, the more sizable the third-party's customer base and the greater the number of credit card accounts impacted, the more likely it is that our subscribers would be impacted by such a breach. To the extent our subscribers are ever affected by such a breach experienced by a third party, affected subscribers would need to be contacted to obtain new credit card information and process any pending transactions. It is likely that we would not be able to reach all affected subscribers, and even if we could, some subscribers' new credit card information may not be obtained and some pending transactions may not be processed, which could materially adversely affect our business, financial condition and results of operations.
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Even if our subscribers are not directly impacted by a given data security breach, they may lose confidence in the ability of service providers to protect their personal information generally, which could cause them to stop using their credit cards online and choose alternative payment methods that are not as convenient for us or restrict our ability to process payments without significant cost or member effort. Any data security breach or fraud experienced by third parties we partner with may cause us reputational harm which may materially adversely affect our business, financial condition and results of operations.

Finally, the passage or adoption of any legislation or regulation affecting the ability of service providers to periodically charge consumers for, among other things, recurring subscription payments may materially adversely affect our business, financial condition and results of operations. Legislation or regulation regarding the foregoing, or changes to existing legislation or regulation governing subscription payments, are being considered in many states in the United States. While we monitor and attempt to comply with these legal developments, we have been in the past, and may be in the future, subject to claims under such legislation or regulation.

Risks Related to Our Technology and Intellectual Property

Our success depends, in part, on the integrity of third-party systems and infrastructures and on continued and unimpeded access to our products and services on the internet.

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We rely on third parties to maintain and support our information technology infrastructure, obtain mapping services and collect, process and analyze certain data. If an agreement with a key supplier is terminated or disrupted, Life360's operations and financial performance could be adversely impacted. In particular, we rely on contracts with AWS for the provision of our computing, network, database, software development platforms and software infrastructure. We procure mapping services from Google and Apple. Additionally, Jiobit uses GCP for some of its functionality. We have designed our software and computer systems to utilize data processing, storage capabilities, and other services provided by AWS and GCP, and currently rely on such providers for the vast majority of our primary data storage and computing. If the AWS contract, GCP contract, or contracts with other key suppliers in the future are terminated or suffer a disruption for any reason, our business, financial condition and results of operations could be materially adversely impacted.

We have entered into an agreement to license from Arity 875, LLC ("Arity") its application program interfaces, including the Arity Driving Engine API, which we integrate into our products and services. Pursuant to the Arity Agreement, we are required to exclusively obtain such services from Arity during the term of the Arity Agreement.

We have also entered into an emergency roadside assistance servicing agreement under which Signature Motor Club, Inc. provides Roadside Assistance on our behalf. If Signature Motor Club were to terminate the agreement, we would be required to engage another third party to provide roadside assistance services and an alternative service by another third party may not be available on reasonable terms, or at all, and such change to an alternative third party may be costly and disruptive, and may have an adverse impact on our business, financial condition and results of operations.
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We have also partnered with AvantGuard Monitoring Centers LLC ("AvantGuard") to provide access to AvantGuard's emergency alert response services to our Life360 Gold and Life360 Platinum subscribers. In the event Life360 detects a crash, Life360 will trigger an alert to AvantGuard, who will call the subscriber and/or dispatch emergency services to the subscriber's location. If AvantGuard were to terminate the agreement, we would be required to engage another third party to provide emergency alert response services and an alternative service by another third party may not be available on reasonable terms, or at all, and such change to an alternative third party may be costly and disruptive, and may have an adverse impact on our business, financial condition and results of operations.

Similarly, under our warranty program agreement with Cover Genius Warranty Services, LLC ("Cover Genius"), Cover Genius administers warranties and service contracts on behalf of Tile. If the Cover Genius contract was terminated or not renewed, Tile would be required to enter into a new warranty program agreement and such agreement may not be available on reasonable terms, or at all, and could be disruptive and costly, and may have an adverse impact on Tile's business, financial condition and results of operations.

We also rely on data center service providers (such as colocation providers), as well as third-party payment processors, computer systems, internet transit providers and other communications systems and service providers, in connection with the provision of our products generally, as well as to facilitate and process certain transactions with our subscribers. We do not control these third-party providers, and we cannot guarantee that such third-party providers will not experience system interruptions, outages or delays, or deterioration in the performance. While we typically control and have access to the servers we operate in co-location facilities and the components of our custom-built infrastructure that are located in those co-location facilities, we control neither the operation of these facilities nor our third-party service providers. Furthermore, we have no physical access or control over the services provided by AWS or GCP. Data center leases and agreements with the providers of data center services expire at various times. The owners of these data centers and providers of these data center services may have no obligation to renew their agreements with us on commercially reasonable terms, or at all.
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Problems or insolvency experienced by third-party service providers upon whom we rely, the telecommunications network providers with whom we or they contract or with the systems through which telecommunications providers allocate capacity among their customers could also materially adversely affect us. Any changes in service levels at our data centers, any third-party "cloud" computing services, or payment processors or any interruptions, outages or delays in our systems or those of our third-party providers, or deterioration in the performance of these systems, could impair our ability to provide our products or process transactions with our subscribers, which could materially adversely impact our business, financial condition, results of operations and prospects. Further, if the data centers and third-party service providers that we use are unable to keep up with our growing needs for capacity, or if we are unable to renew our agreements with data centers, and service providers on commercially reasonable terms, we may be required to transfer servers or content to new data centers or engage new service providers, and we may incur significant costs, and possible service interruption in connection with doing so. Additionally, if we need to migrate our business to different third-party data center service providers or payment aggregators as a result of any such problems or insolvency, it could delay our ability to process transactions with our subscribers. Any changes in third-party service levels at data centers or any real or perceived errors, defects, disruptions, or other performance problems with our platform could harm our reputation and may result in damage to, or loss or compromise of, our members' content. See "—Security breaches of our networks, systems or applications, improper unauthorized access to or disclosure of our proprietary data or member data, including personal information, other hacking and phishing attacks on our systems or service, or other cyber incidents could disrupt our services or compromise sensitive information related to our business and/or personal information processed by us or on our behalf and expose us to liability, which could harm our reputation and materially adversely affect our business, financial condition and results of operations."
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In addition, we depend on the ability of our members to access the internet with high-bandwidth data capabilities. Currently, this access is provided by companies that have significant market power in the broadband and internet access marketplace, including incumbent telephone companies, cable companies, mobile

communications companies, government-owned service providers, device manufacturers and operating system providers, any of whom could take actions that degrade, disrupt or increase the cost of member access to our products or services, which would, in turn, negatively impact our business. The adoption or repeal of any laws or regulations that adversely affect the growth, popularity or use of the internet, including laws or practices limiting internet neutrality, could decrease the demand for, or the usage of, our products and services, increase our cost of doing business and adversely affect our financial condition and results of operations.

Our success depends, in part, on the integrity of our information technology systems and infrastructures and on our ability to enhance, expand and adapt these systems and infrastructures in a timely and cost-effective manner.

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In order for us to succeed, our information technology systems and infrastructures must perform well on a consistent basis. Our products and systems rely on software and hardware that are highly technical and complex and depend on the ability of such software and hardware to store, retrieve, process and manage immense amounts of data. We may in the future experience system interruptions that make some or all of our systems or data temporarily unavailable and prevent our products from functioning properly for our members; any such interruption could arise for any number of reasons, including software bugs and human errors. Further, our systems and infrastructures are vulnerable to damage from fire, power loss, hardware and operating software errors, cyber-attacks, technical limitations, telecommunications failures, acts of God, the financial insolvency of third parties that we work with, global pandemics and other public health crises, such as the COVID-19 pandemic, and other unanticipated problems or events. While we have backup systems in place for certain aspects of our operations, not all of our systems and infrastructures are fully redundant. Disaster recovery planning can never account for all possible eventualities and even if we anticipate an incident, our incident response, business continuity and disaster recovery plans may not be sufficient to timely and effectively address the issue, and our property and business interruption insurance coverage may not be adequate to compensate us fully for any losses that we may suffer. Any interruptions or outages, regardless of the cause, could negatively impact our members' experiences with our products, tarnish our brand reputations and decrease demand for our products, any or all of which could materially adversely affect our business, financial condition and results of operations. Moreover, even if detected, the resolution of such interruptions may take a long time, during which customers may not be able to access, or may have limited access to, the service. See "—Security breaches of our networks, systems or applications, improper unauthorized access to or disclosure of our proprietary data or member data, including personal information, other hacking and phishing attacks on our systems or service, or other cyber incidents could disrupt our services or compromise sensitive information related to our business and/or personal information processed by us or on our behalf and expose us to liability, which could harm our reputation and materially adversely affect our business, financial condition and results of operations."

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We also continually work to expand and enhance the efficiency and scalability of our technology and network systems to improve the experience of our members, accommodate substantial increases in the volume of traffic to our various products, ensure acceptable load times for our products and keep up with changes in technology and member preferences. Any failure to do so in a timely and cost-effective manner could materially adversely affect our members' experience with our various products and thereby negatively impact the demand for our products, and could increase our costs, either of which could materially adversely affect our business, financial condition and results of operations.

We may fail to adequately obtain, protect and maintain our intellectual property rights or prevent third parties from making unauthorized use of such rights.

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Our intellectual property is a material asset of our business and our success depends in part on our ability to protect our proprietary rights and intellectual property. For example, we rely on a combination of intellectual property rights, including patents, trademarks, designs, copyrights, related domain names, social media handles and logos to market our brands and to build and maintain brand loyalty and recognition. We also rely upon proprietary technologies and trade secrets, as well as a combination of laws and contractual restrictions,

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including confidentiality agreements with employees, customers, suppliers, affiliates and others, to establish, protect and enforce our various intellectual property rights.

We have in the past sought to register and we expect to continue to apply to register and renew, or secure by contract where appropriate, material trademarks and service marks as they are introduced and used, and reserve, register and renew domain names and social media handles as we deem appropriate. We rely on our trademarks and trade names to identify our platform and to differentiate our platform and services from those of our competitors, and if our trademarks and trade names are not adequately protected, then third parties may use trade names or trademarks similar to ours in a manner that may cause confusion in the market and we may not be able to build and maintain sufficient brand recognition in our markets of interest, which could decrease the value of our brand and adversely affect our business, financial condition and results of operations. Effective trademark protection may not be available or may not be sought in every country in which our products and services are made available, or in every class of goods and services in which we operate, and contractual disputes may affect the use of marks governed by private contract. Our trademarks, tradenames or other intellectual property rights may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. Further, at times, competitors may have already registered or otherwise adopted trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. Similarly, not every variation of a domain name or social media handle may be available or be registered by us, even if available. The occurrence of any of these events could result in the erosion of our brands and limit our ability to market our brands using our various domain names and social media handles, as well as impede our ability to effectively compete against competitors with similar technologies or products, any of which could materially adversely affect our business, financial condition and results of operations.

We have received patents and have filed patent applications with respect to certain aspects of our technology; however, there can be no assurances that the steps taken by us would be adequate to exclude or prevent our competitors from implementing technology, methods, and processes similar to our own. We cannot be certain that our pending patent applications will result in issued patents or that any of our issued patents will afford protection against a competitor or provide a competitive advantage. The issuance of a patent involves complex legal and factual questions, and the breadth of claims allowed is uncertain. As a result, we cannot be certain that the patent applications that we file will result in patents being issued, or that our patents and any patents that may be issued to us in the future will afford protection against competitors with similar technology. In addition, patent applications filed in foreign countries are subject to laws, rules and procedures that differ from those of the U.S., and thus we cannot be certain that foreign patent applications, whether or not related to issued U.S. patents, will be issued in other regions. Furthermore, even if these patent applications are accepted and the associated patents issued, some foreign countries provide significantly less effective patent enforcement than in the United States. Further, we may not timely or successfully apply for a patent to secure rights in our intellectual property.

Various courts, including the United States Supreme Court (the “Supreme Court”) have rendered decisions that affect the scope of patentability of certain inventions or discoveries relating to software. These decisions state, among other things, that a patent claim that recites an abstract idea, natural phenomenon or law of nature are not themselves patentable. Precisely what constitutes a law of nature or abstract idea is uncertain, and it is possible that certain aspects of our technology could be considered abstract ideas. Accordingly, the evolving case law in the United States may adversely affect our ability to obtain patents and may facilitate third-party challenges to any owned or licensed patents.

In addition, patents issued to us may be infringed upon or designed around by others and others may obtain patents that we need to license or design around, either of which would increase costs and may adversely affect our business, financial condition and results of operations. The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability. Litigation or proceedings before the U.S. Patent and Trademark Office (“USPTO”) or other governmental authorities and administrative bodies in the United States and abroad may be necessary in the future to enforce our intellectual property rights and to determine the validity and scope

of our rights and the proprietary rights of others. Some of our patents or patent applications (including licensed patents) may be challenged at a future point in time in opposition, derivation, reexamination, inter partes review, post-grant review or interference. Any successful third-party challenge to our patents in this or any other proceeding could result in the unenforceability or invalidity of such patents, which may lead to increased competition to our business, which could harm our business, financial condition and results of operations. In addition, in patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. The outcome following legal assertions of invalidity and unenforceability during patent litigation is unpredictable. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on certain aspects of our platform technologies. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, regardless of the outcome, it could dissuade companies from collaborating with us to license, develop or commercialize current or future products. We expect to continue to expand internationally and, in some foreign countries, the mechanisms to establish and enforce intellectual property rights may be inadequate to protect our technology, which could harm our business, financial condition and results of operations.

We also rely upon trade secret laws to protect intellectual property that may not be patentable, or for which we believe patent protection is too expensive or otherwise undesirable. While it is our policy to enter into confidentiality agreements with employees and third parties to protect our proprietary expertise and other trade secrets, we cannot guarantee that we have entered into such agreements with each party that has developed intellectual property on or behalf, or that has or may have had access to our proprietary information or trade secrets. Even if entered into, these agreements may otherwise fail to effectively prevent disclosure of proprietary information, may be limited as to their term and may not provide an adequate remedy in the event of unauthorized disclosure or use of proprietary information. Monitoring unauthorized uses and disclosures is difficult, and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time-consuming, and the outcome is unpredictable. Some courts inside and outside the United States may be less willing or unwilling to protect trade secrets. In addition, technology that we protect as a trade secret may still be independently developed by others, and trade secret laws do not protect against the use and disclosure of such independently developed technologies. If any of our confidential or proprietary information, such as our trade secrets, were to be disclosed or misappropriated, or if any such information was independently developed by a competitor, our competitive position would be materially adversely harmed.

Further, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. Additionally, no assurance can be given that these agreements will be effective in controlling access to or potential misuse of our proprietary information and trade secrets, any such assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property.

Policing unauthorized use of our intellectual property and misappropriation of our technology and trade secrets is difficult and we may not always be aware of such unauthorized use or misappropriation. We may be forced to bring claims against third parties to determine the ownership of what we regard as our intellectual property or to enforce our intellectual property rights against infringement, misappropriation or other violations by third parties. However, the measures we take to protect our intellectual property from unauthorized use by others may not be effective and there can be no assurance that our intellectual property rights will be sufficient to protect against others offering products or services that are substantially similar or superior to ours or that compete with our business. We may not prevail in any intellectual property-related proceedings that we initiate against third parties. Further, in such proceedings or in proceedings before patent, trademark and copyright agencies, our asserted intellectual property could be narrowed or found to be invalid or unenforceable, in which case we could lose valuable intellectual property rights. In addition, even if we are successful in enforcing our

intellectual property against third parties, the damages or other remedies awarded, if any, may not be commercially meaningful. Regardless of whether any such proceedings are resolved in our favor, such proceedings could cause us to incur significant expenses and could distract our personnel from their normal responsibilities. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage. Additionally, enforcing our intellectual property rights in litigation can be costly, can divert our management's attention and resources, and the success of any such litigation is not assured. Our inability to protect our intellectual property and proprietary technology against unauthorized copying and use could delay further sales or the implementation of our solutions, impair the functionality of our platform, prevent or delay introductions of new or enhanced solutions, or injure our reputation. Furthermore, many of our current and potential competitors may have the ability to dedicate substantially greater resources to developing and protecting their technology or intellectual property rights than we do. As a result, we may be aware of infringement by our competitors but may choose not to bring litigation to protect our intellectual property rights due to the cost, time, and distraction of bringing such litigation.

Despite the measures we take to protect our intellectual property rights, our intellectual property rights may still not be adequate and protected in a meaningful manner, challenges to contractual rights could arise, third parties could copy or otherwise obtain and use our intellectual property without authorization, or laws and interpretations of laws regarding the enforceability of existing intellectual property rights may change over time in a manner that provides less protection. The occurrence of any of these events could impede our ability to effectively compete against competitors with similar technologies, any of which could materially adversely affect our business, financial condition and results of operations. Our intellectual property rights and the enforcement or defense of such rights may also be affected by developments or uncertainty in laws and regulations relating to intellectual property rights. Moreover, many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, may not favor the enforcement of patents, trademarks, copyrights, trade secrets and other intellectual property protection, which could make it difficult for us to stop the infringement, misappropriation or other violation of our intellectual property or marketing of competing products in violation of our intellectual property rights generally.

Our patent applications may not result in issued patents, and our issued patents may not provide adequate protection, which may have a material adverse effect on our ability to prevent others from commercially exploiting products similar to ours.

We have received patents and have filed patent applications with respect to certain aspects of our technology, and we generally rely on patent protection with respect to our proprietary technology; however, there can be no assurances that the steps taken by us would be adequate to exclude or prevent our competitors from implementing technology, methods, and processes similar to our own. We cannot be certain that our pending patent applications will result in issued patents or that any of our issued patents will afford protection against a competitor, or provide a competitive advantage. The issuance of a patent involves complex legal and factual questions, and the breadth of claims allowed is uncertain. As a result, we cannot be certain that the patent applications that we file will result in patents being issued, or that our patents and any patents that may be issued to us in the future will afford protection against competitors with similar technology. In addition, patent applications filed in foreign countries are subject to laws, rules and procedures that differ from those of the United States, and thus we cannot be certain that foreign patent applications, whether or not related to issued U.S. patents, will be issued in other regions. Furthermore, even if these patent applications are accepted and the associated patents issued, some foreign countries provide significantly less effective patent enforcement than in the United States. Further, we may not timely or successfully apply for a patent to secure rights in our intellectual property.

Various courts, including the United States Supreme Court have rendered decisions that affect the scope of patentability of certain inventions or discoveries relating to software. These decisions state, among other things, that a patent claim that recites an abstract idea, natural phenomenon or law of nature are not themselves patentable. Precisely what constitutes a law of nature or abstract idea is uncertain, and it is possible that certain

aspects of our technology could be considered abstract ideas. Accordingly, the evolving case law in the United States may adversely affect our ability to obtain patents and may facilitate third-party challenges to any owned or licensed patents.

In addition, patents issued to us may be infringed upon or designed around by others and others may obtain patents that we need to license or design around, either of which would increase costs and may adversely affect our business, financial condition and results of operations. The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability. Litigation or proceedings before the USPTO or other governmental authorities and administrative bodies in the United States and abroad may be necessary in the future to enforce our intellectual property rights and to determine the validity and scope of our rights and the proprietary rights of others. Some of our patents or patent applications (including licensed patents) may be challenged at a future point in time in opposition, derivation, reexamination, inter partes review, post-grant review or interference. Any successful third-party challenge to our patents in this or any other proceeding could result in the unenforceability or invalidity of such patents, which may lead to increased competition to our business, which could harm our business, financial condition and results of operations. In addition, in patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. The outcome following legal assertions of invalidity and unenforceability during patent litigation is unpredictable. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on certain aspects of our platform technologies. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, regardless of the outcome, it could dissuade companies from collaborating with us to license, develop or commercialize current or future products. We expect to continue to expand internationally and, in some foreign countries, the mechanisms to establish and enforce intellectual property rights may be inadequate to protect our technology, which could harm our business, financial condition and results of operations.
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From time to time, we have been and may be party to intellectual property-related litigations and proceedings that are expensive and time-consuming to defend, and, if resolved adversely, could materially adversely impact our business, financial condition and results of operations.
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Our commercial success depends in part on avoiding infringement, misappropriation or other violations of the intellectual property rights of third parties. From time to time, however, we have received and may in the future receive claims from third parties which allege that we have infringed upon their intellectual property rights, and we may not prevail in these disputes. For example, patent applications in the United States and some foreign countries are generally not publicly disclosed until the patent is issued or published and we may not be aware of currently filed patent applications that relate to our products or services. If patents later issue on these applications, we may be found liable for subsequent infringement. Companies in the internet and technology industries are subject to frequent litigation based on allegations of infringement, misappropriation or other violations of intellectual property rights. Many companies in these industries, including many of our competitors, have substantially larger intellectual property portfolios than we do, which could make us a target for litigation as we may not be able to assert counterclaims against parties that sue us for infringement, misappropriation or other violations of patent or other intellectual property rights. Furthermore, various “non-practicing entities” that own patents and other intellectual property rights often attempt to assert claims in order to extract value from technology companies and, given that these non-practicing entities typically have no relevant product revenue, our own issued or pending patents and other intellectual property rights may provide little or no deterrence to their bringing infringement claims against us. Further, from time to time we may introduce new products, product features and services, including in areas where we currently do not have an offering, which could increase our exposure to patent and other intellectual property claims from competitors and non-practicing entities. In addition, some of our agreements with third-party partners require us to indemnify them for certain intellectual property claims against them, which could require us to incur considerable costs in defending such claims and may require us to pay significant damages in the event of an adverse ruling. Such third-party partners may also discontinue their relationships with us as a result of injunctions or otherwise, which could result in loss of revenue and adversely impact our business, financial condition and results of operations.

Although we try to ensure that our employees and consultants do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or our employees or consultants have inadvertently or otherwise used or disclosed intellectual property, including trade secrets, software code or other proprietary information, of a former employer or other third parties. Litigation may be necessary to defend against these claims and if we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel.

As we gain greater public recognition, face increasing competition and develop new products, we expect the number of patent and other intellectual property claims against us may grow. There may be intellectual property or other rights held by others, including issued or pending patents, that cover significant aspects of our products and services, and we cannot be sure that we are not infringing or violating, and have not infringed or violated, any third-party intellectual property rights or that we will not be held to have done so or be accused of doing so in the future. Companies in the technology industry, and other patent, copyright, and trademark holders seeking to profit from royalties in connection with grants of licenses, own large numbers of patents, copyrights, trademarks, domain names, and trade secrets and frequently commence litigation based on allegations of infringement, misappropriation, or other violations of intellectual property or other rights.
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Any claim or litigation alleging that we have infringed or otherwise violated intellectual property or other rights of third parties, with or without merit, and whether or not settled out of court or determined in our favor, could be time-consuming and costly to address and resolve, and could divert the time and attention of our management and technical personnel. Some of our competitors have substantially greater resources than we do and are able to sustain the costs of complex intellectual property litigation to a greater degree and for longer periods of time than we could. The outcome of any litigation is inherently uncertain, and there can be no assurances that favorable final outcomes will be obtained in all cases. In addition, third parties may seek, and we may become subject to, preliminary or provisional rulings in the course of any such litigation, including potential preliminary injunctions requiring us to cease some or all of our operations. During the course of such litigation matters, there may be announcements of the results of hearings and motions, and other interim developments related to the litigation matters. If securities analysts or investors regard these announcements as material and negative, the market price of our common stock may decline. We may decide to settle such lawsuits and disputes on terms that are unfavorable to us. Similarly, if any litigation to which we are a party is resolved adversely, we may be subject to an unfavorable judgment. The terms of such a settlement or judgment may require us to cease some or all of our operations, pay substantial amounts to the other party including treble damages and attorneys' fees, if we are found to have willfully infringed a party's intellectual property rights. Moreover, as part of any settlement or other compromise to avoid complex, protracted litigation, we may agree not to pursue future claims against a third party, including for claims related to alleged infringement of our intellectual property rights. Part of any settlement or other compromise with another party may resolve a potentially costly dispute but may also have future repercussions on our ability to defend and protect our intellectual property rights, which in turn could adversely affect our business, financial conditions, and results of operations. In addition, we may have to seek a license to continue practices found to be in violation of a third party's rights. However, such arrangements may not be available on reasonable or exclusive terms, or at all, and may significantly increase our operating costs and expenses. As a result, we may be forced to develop or procure alternative non-infringing technology, which could require significant effort, time and expense or discontinue use of the technology. There also can be no assurance that we would be able to develop or license suitable alternative technology to permit us to continue offering the affected products or services as currently offered. If we cannot develop or license alternative technology for any allegedly infringing aspect of our business, we would be forced to limit our products and services and may be unable to compete effectively. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. Any of the foregoing, and any unfavorable resolution of such disputes and litigation, would materially and adversely impact our business, financial condition and results of operations.
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Our use of "open source" software could subject our proprietary software to general release, adversely affect our ability to sell our products and services and subject us to possible litigation.

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Our products incorporate open-source software in connection with a portion of our proprietary software and we expect to continue to use open-source software in the future. Under certain circumstances, some open-source licenses require users of the licensed code to provide the user's own proprietary source code to third parties upon request, to license at no cost the user's own proprietary source code or other materials for the purpose of making derivative works, require the relicensing of the open-source software and derivatives thereof under the terms of the applicable license, or prohibit users from charging a fee to third parties in connection with the use of the user's proprietary code. While we try to insulate our proprietary code from the effects of such open-source license provisions and employ practices designed to monitor our compliance with the licenses of third-party open-source software, we cannot guarantee that we will be successful. Accordingly, we may face claims from others challenging our use of open-source software, claiming ownership of, or seeking to enforce the license terms applicable to such open-source software, including by demanding release of the open-source software, derivative works or our proprietary source code that was developed or distributed in connection with such software. Such claims could also require us to purchase a commercial license or require us to devote additional research and development resources to change our software, any of which would have a negative effect on our business, financial condition and results of operations. In addition, if the license terms for the open-source code change, we may be forced to re-engineer our software or incur additional costs. Additionally, the terms of many open-source licenses to which we are subject have not been interpreted by U.S. or foreign courts, resulting in a dearth of guidance regarding the proper legal interpretation of such licenses. There is a risk that open-source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market or provide our products and services.

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In addition, the use of open-source software may entail greater risks than the use of third-party commercial software, as open-source licensors generally do not provide warranties, support, indemnities for infringement or controls on the functionality or origin of the software. Further, the use of open-source software may also present additional security risks because the public availability of the source code of such software may make it easier for hackers and other third parties to exploit vulnerabilities in the software. To the extent that our platform depends upon the successful operation of the open-source software we use, any undetected errors or defects in this open-source software could prevent the deployment or impair the functionality of our platform, delay the introduction of new solutions, result in a failure of our platform, and injure our reputation. For example, undetected errors or defects in open-source software could render it vulnerable to breaches or security attacks and make our systems more vulnerable to data breaches.

Our exposure to these risks may be increased as a result of evolving our core source code base, introducing new content and offerings, integrating acquired-company technologies, or making other business changes, including in areas where we do not currently compete. Any of the foregoing could adversely impact the value or enforceability of our intellectual property, and materially adversely affect our business, financial condition and results of operations.

Risks Related to Legal Matters and Our Regulatory Environment

Our business is subject to complex and evolving U.S. and international laws and regulations. Many of these laws and regulations are subject to change and uncertain interpretation, and failure to comply with such laws and regulations could result in claims, changes to our business practices, monetary penalties, increased cost of operations, reputational damage, or declines in member growth or engagement, or otherwise harm our business, financial condition and results of operations.

We are subject to a variety of laws and regulations in the United States and abroad that involve matters that are important to or may otherwise impact our business, including, among others, broadband internet access, online commerce, advertising, data privacy, data security, intermediary liability, protection of minors, consumer

protection, accessibility, taxation and securities law compliance. The introduction of new products, expansion of our activities in certain jurisdictions, or other actions that we may take may subject us to additional laws, regulations or other government scrutiny. In addition, foreign laws and regulations can impose different obligations or be more restrictive than those in the United States.

These U.S. federal, state, and municipal and foreign laws and regulations, which in some cases can be enforced by private parties in addition to government entities, are constantly evolving and can be subject to significant change. In addition, the introduction of new brands and products, or changes to our existing brands and products, may result in new or enhanced governmental or regulatory scrutiny. As a result, the application, interpretation, and enforcement of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate, and may be interpreted and applied inconsistently from state to state and country to country and inconsistently with our current policies and practices. These laws and regulations, as well as any associated inquiries or investigations or any other government actions, may be costly to comply with and may delay or impede the development of new products, require that we change or cease certain business practices, result in negative publicity, increase our operating costs, require significant management time and attention, and subject us to remedies that may harm our business, including fines, demands or orders that require us to modify or cease existing business practices. We have in the past and may in the future be subject to claims, inquiries or regulatory investigations, relating to such laws and regulations. It is possible that a regulatory inquiry might result in changes to our policies or practices. In addition, it is possible that future orders issued by, or enforcement actions initiated by, regulatory authorities could cause us to incur substantial costs or require us to change our business practices in a manner that could materially adversely affect our business, financial condition and results of operations.

The promulgation of new laws or regulations, or the new interpretation of existing laws and regulations, in each case, that restrict or otherwise unfavorably impact our business, or our ability to provide or the manner in which we provide our services, could require us to change certain aspects of our business and operations to ensure compliance, which could decrease demand for services, reduce revenues, increase costs and subject us to additional liabilities. For example, U.S. courts have increasingly interpreted Title III of the Americans with Disabilities Act (the "ADA") to require websites and web-based applications to be made fully accessible to individuals with disabilities. As a result, we may become subject to claims that our apps are not compliant with the ADA, which may require us to make modifications to our products to provide enhanced or accessible services to, or make reasonable accommodations for, individuals, and failure to comply could result in litigation, including class action lawsuits.

The adoption of any laws or regulations that adversely affect the popularity or growth in use of the internet or our services, including laws or regulations that undermine open and neutrally administered internet access, could decrease member demand for our service offerings and increase our cost of doing business. For example, in December 2017, the Federal Communications Commission adopted an order reversing net neutrality protections in the United States, including the repeal of specific rules against blocking, throttling or "paid prioritization" of content or services by internet service providers. To the extent internet service providers engage in such blocking, throttling or "paid prioritization" of content or similar actions as a result of this order and the adoption of similar laws or regulations, our business, financial condition and results of operations could be materially adversely affected.

We rely on a variety of statutory and common-law frameworks and defenses relevant to the content available on the Life360 Platform, including the Digital Millennium Copyright Act, the Communications Decency Act ("CDA") and the fair-use doctrine in the United States, and the Electronic Commerce Directive in the European Union. However, each of these statutes is subject to uncertain or evolving judicial interpretation and regulatory and legislative amendments. For example, in the United States, laws such as the CDA, which have previously been interpreted to provide substantial protection to interactive computer service providers, may change and become less predictable or unfavorable by legislative action or juridical interpretation. There have been various federal and state legislative efforts to restrict the scope of the protections available to online platforms under the CDA, in particular with regards to Section 230 of the CDA, and current protections from

liability for third-party content in the United States could decrease or change. We could incur significant costs investigating and defending such claims and, if we are found liable, significant damages.

The European Union is also reviewing the regulation of digital services, and has introduced the Digital Services Act, a package of legislation intended to update the liability and safety rules for digital platforms, products, and services, which could negatively impact the scope of the limited immunity provided by the E-Commerce Directive. Some European jurisdictions and the UK have also proposed or intend to pass legislation that imposes new obligations and liabilities on platforms with respect to certain types of harmful content. While the scope and timing of these proposals are currently uncertain, if the rules, doctrines or currently available defenses change, if international jurisdictions refuse to apply similar protections that are currently available in the United States, or the European Union or if a court were to disagree with our application of those rules to our service, we could be required to expend significant resources to try to comply with the new rules or incur liability, and our business, financial condition and results of operations could be harmed.

We may fail to comply with laws regulating subscriptions and auto-payment renewals, which could have a material adverse effect on our business, reputation, financial condition and results of operations.

We are subject to certain federal and state laws that govern the ability of users to cancel subscriptions and auto-payment renewals. Our subscriptions automatically renew unless the subscriber cancels the subscription before the end of the current period. The Federal Restore Online Shoppers' Confidence Act ("ROSCA"), and state law analogues require companies to adhere to enhanced disclosure and cancellation requirements when entering into automatically renewing contracts with subscription customers. Regulators and private plaintiffs have brought enforcement and litigation actions against companies, challenging automatic renewal and subscription programs. If we fail to comply with ROSCA or its state law analogues, we could incur substantial legal fees and costs and reputational harm. In addition, compliance and remediation efforts can be costly.

Adverse litigation judgments or settlements resulting from legal proceedings in which we may be involved could have a material adverse effect on our business, financial condition and results of operations.
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We are, or may in the future become, subject to litigation and various legal proceedings, including litigation and proceedings related to intellectual property matters, data privacy, data security, and consumer protection laws, as well as stockholder derivative suits, class action lawsuits, actions from former employees and other matters, that involve claims for substantial amounts of money or for other relief or that might necessitate changes to our business or operations. We have received, and may in the future continue to receive, inquiries from regulators regarding our compliance with law and regulations, including those related to data protection and consumer rights, and due to the nature of our business and the rapidly evolving landscape of laws relating to data privacy, cybersecurity, consumer protection and data use, we expect to continue to be the subject of regulatory investigations and inquiries in the future. The defense of these legal proceedings could be time-consuming and expensive and could distract our personnel from their normal responsibilities. The results of any such litigation, investigations and legal proceedings are inherently unpredictable and expensive. We evaluate these litigation claims and legal proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, we may establish reserves or disclose the relevant litigation claims or legal proceedings, as and when required or appropriate. These assessments and estimates are based on information available to management at the time of such assessment or estimation and involve a significant amount of judgment. As a result, actual outcomes or losses could differ materially from those envisioned by our current assessments and estimates. If any of these legal proceedings were to be determined adversely to us, or we were to enter into a settlement arrangement, we could be forced to change the way in which we operate our business or be exposed to monetary damages that, to the extent not covered by our insurance, could have a material adverse effect on our business, financial condition and results of operations. See "Item 8. Legal Proceedings".
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Taxing authorities may successfully assert that we should have collected or in the future should collect sales and use, value added or similar taxes, and any such assessments could adversely affect our business, financial condition and results of operations.

Sales and use, value added and similar tax laws and rates vary greatly by jurisdiction. Certain jurisdictions in which we do not collect such taxes may assert that such taxes are applicable or that our presence in such jurisdictions is sufficient to require us to collect taxes, which could result in tax assessments, penalties and interest, and we may be required to collect such taxes in the future. Such tax assessments, penalties and interest or future requirements may adversely affect our business, financial condition and results of operations. Further, in June 2018, the Supreme Court held in *South Dakota v. Wayfair, Inc.* that states could impose sales tax collection obligations on out-of-state sellers even if those sellers lack any physical presence within the states imposing the sales taxes. Under the *Wayfair* decision, a person requires only a "substantial nexus" with the taxing state before the state may subject the person to sales tax collection obligations therein. An increasing number of states (both before and after the publication of the *Wayfair* decision) have considered or adopted laws that attempt to impose sales tax collection obligations on out-of-state sellers. The Supreme Court's *Wayfair* decision has removed a significant impediment to the enactment and enforcement of these laws, and it is possible that states may seek to tax out-of-state sellers on sales that occurred in prior tax years, which could create additional administrative burdens for us, put us at a competitive disadvantage if such states do not impose similar obligations on our competitors, and decrease our future sales, which could adversely affect our business, financial condition and results of operations.

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

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In general, under Section 382 of the U.S. Internal Revenue Code of 1986, as amended, or (the "Code"), a corporation that undergoes an "ownership change" is subject to limitations on its ability to utilize its pre-change net operating losses, or ("NOLs"), to offset future taxable income. A Section 382 "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 within a rolling three-year period. Similar rules may apply under state tax laws. As of March 31, 2022, we have approximately $216 million and $104 million of federal and state net operating loss carryforwards, respectively, available to offset future taxable income which, if not utilized, will begin to expire in varying amounts in 2032. Our ability to utilize NOLs may be currently subject to limitations due to a prior ownership change. In addition, future changes in our stock ownership, some of which are outside of our control, could result in an ownership change under Section 382 of the Code, further limiting our ability to utilize NOLs arising prior to such ownership change in the future. There is also a risk that due to regulatory changes, such as suspensions on the use of NOLs, or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to offset future income tax liabilities. We have recorded a full valuation allowance against the net deferred tax assets attributable to our NOLs.

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We are subject to taxation related risks in multiple jurisdictions.

We are a U.S.-based multinational company subject to tax in multiple U.S. and foreign tax jurisdictions. Significant judgment is required in determining our global provision for income taxes, deferred tax assets or liabilities and in evaluating our tax positions on a worldwide basis. While we believe our tax positions are consistent with the tax laws in the jurisdictions in which we conduct our business, it is possible that these positions may be challenged by jurisdictional tax authorities, which may have a significant impact on our global provision for income taxes.

Tax laws are being re-examined and evaluated globally. New laws and interpretations of the law are taken into account for financial statement purposes in the quarter or year that they become applicable. Tax authorities are increasingly scrutinizing the tax positions of companies. Many countries in the European Union, as well as a number of other countries and organizations, such as the Organization for Economic Cooperation and

Development and the European Commission, are actively considering changes to existing tax laws that, if enacted, could increase our tax obligations in countries where we do business. These proposals include changes to the existing framework to calculate income tax, as well as proposals to change or impose new types of non-income taxes, including taxes based on a percentage of revenue. For example, several countries in the European Union have proposed or enacted taxes applicable to digital services, which includes business activities on social media platforms and online marketplaces, and would likely apply to our business. Many questions remain about the enactment, form and application of these digital services taxes. The interpretation and implementation of the various digital services taxes (especially if there is inconsistency in the application of these taxes across tax jurisdictions) could have a materially adverse impact on our business, financial condition, results of operations and cash flows. Moreover, the U.S. government may enact significant changes to the taxation of business entities including, among others, the imposition of minimum taxes or surtaxes on certain types of income. Furthermore, if the U.S. or other foreign tax authorities change applicable tax laws, our overall taxes could increase, and our business, financial condition and results of operations may be adversely impacted.

Actions by governments to restrict access to Life360 in their countries, or that otherwise impair our ability to sell advertising in their countries, could substantially harm our business, financial condition and results of operations.

Governments may seek to censor content available on the Life360 Service, restrict access to the platform from their country entirely, or impose other restrictions that may affect the accessibility of the platform in their country for an extended period of time or indefinitely. In addition, government authorities in other countries may seek to restrict member access to the platform if they consider us to be in violation of their laws or a threat to public safety or for other reasons. It is possible that the government authorities could take action that impairs our ability to sell advertising, including in countries where access to our consumer-facing platform may be blocked or restricted. In the event that content shown on the Life360 Service or our other products is subject to censorship, access to our products is restricted, in whole or in part, in one or more countries, we are required to or elect to make changes to our operations, or other restrictions are imposed on our products, or our competitors are able to successfully penetrate new geographic markets or capture a greater share of existing geographic markets that we cannot access or where we face other restrictions, our ability to retain or increase our member base, member engagement, or the level of advertising by marketers may be adversely affected, we may not be able to maintain or grow our revenue as anticipated, and our financial results could be materially adversely affected.
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If additional tariffs on Chinese-origin goods are imposed, related countermeasures are taken by the PRC, or we experience supply chain transformation setbacks, it could have an adverse impact on our business, financial condition and results of operations.

Tile's products are manufactured in the PRC, making the pricing and availability of our products susceptible to international trade risks. In 2018, the United States imposed additional duties under Section 301 of the U.S. Trade Act of 1974, ranging from 10% to 25%, on a variety of goods imported from the PRC. While these tariffs initially did not affect our products, in May 2019, the United States proposed to place tariffs on essentially all remaining Chinese-origin imports. Subsequently, the Trump Administration announced that 15% tariffs would be imposed on a subset of these goods, including wearable devices, which went into effect September 1, 2019. These tariffs were reduced to 7.5% on February 14, 2020.

These elevated tariffs have resulted in higher costs for Tile. There is uncertainty as to when the tariffs will ease. However, if additional tariffs are imposed, related countermeasures are taken by the PRC, or we experience setbacks in our supply chain transformation efforts, our revenue, gross margins, financial condition and results of operations may be adversely affected.
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We are subject to governmental export and import controls and economic sanction laws that could subject us to liability and impair our ability to compete in international markets.

The United States and various foreign governments have imposed controls, export license requirements, prohibitions and restrictions on the import, export, reexport and other transfers of certain goods, software, services and technologies. Compliance with applicable regulatory requirements regarding the export or other transfer of our products and services and other items may create delays in the introduction of our products and services in international markets, prevent our international members from accessing our products and services, and, in some cases, prevent the supply of our products and services to some countries altogether.

Furthermore, U.S. export control laws and economic sanctions prohibit the provision of products and services to countries, regions, governments, organizations and persons targeted by U.S. sanctions. Even though we take precautions to prevent our products from being provided to targets of U.S. sanctions, our products and services, including our firmware updates, could be provided to those targets. Any such unauthorized provision could have negative consequences, including government investigations, penalties, reputational harm. Our failure to obtain required import, export or other transfer approval for our products could harm our international and domestic sales and adversely affect our revenue.

We could be subject to future enforcement action with respect to compliance with governmental export and import controls and economic sanctions laws that result in penalties, costs, and restrictions on export and reexport eligibility that could have an adverse effect on our business, financial condition and results of operations.

Risks Related to Our Common Stock and CDIs

Our common stock may never be listed on a major U.S. stock exchange.

While we may seek the listing of our common stock on a U.S. securities exchange at some time in the future, we cannot ensure when, if ever we will do so, that we will be able to satisfy such listing standards or that our common stock will be accepted for listing on any such exchange. Should we fail to satisfy the initial listing standards of such exchange, or our common stock is otherwise rejected for listing, the trading price of our common stock could suffer, the trading market for our common stock may be less liquid, and our common stock price may be subject to increased volatility.

The market price of our CDIs and common stock may be volatile, which could cause the value of our common stock to decline.

The trading price of our CDIs on the ASX has been volatile, and even if a trading market for our common stock develops, the market price of our common stock may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume in our CDIs and common stock if a market develops may fluctuate and cause significant price variations to occur. Securities markets worldwide experience significant price and volume fluctuations as a result of a variety of factors, many of which are beyond our control but may nonetheless decrease the market price of our CDIs and common stock if a market develops, regardless of our actual operating performance, including:

- public reaction to our press releases, announcements and filings with the SEC and ASX;
- our operating and financial performance;
- fluctuations in market prices and trading volumes of technology;
- changes in market valuations of similar companies;
- departures of key personnel;
- commencement of or involvement in litigation;

- changes in economic and political conditions, financial markets, and/or the technology industry;
- interest rate fluctuations;
- changes in accounting standards, policies, guidance, interpretations, or principles;
- actions by our stockholders;
- the failure of securities analysts to cover our common stock and/or changes in their recommendations and estimates of our financial performance;
- future sales of our common stock;
- trading prices and trading volumes of our CDIs on the ASX; and
- the other factors described in these "Risk Factors".

The stock market has in the past experienced extreme price and volume fluctuations, and, following periods of such volatility in the overall market and the market price of a company's securities, securities class action litigation has often been instituted against these companies. Such litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

Additionally, our securities may in the future trade on more than one stock exchange and this may result in price variations between the markets and volatility in our stock price. Our CDIs are currently listed on the ASX and we may list our common stock on a U.S. securities exchange in the future. Trading in our common stock and CDIs therefore may take place in different currencies (U.S. dollars on the U.S. securities exchange and Australian dollars on the ASX), and at different times (resulting from different time zones, different trading days and different public holidays in the United States and Australia). The trading prices of our CDIs and our common stock on two markets may differ as a result of these, or other, factors. Any decrease in the price of our CDIs or common stock on either market could cause a decrease in the trading prices of our CDIs or our common stock on the other market. In addition, investors may seek to profit by exploiting the difference, if any, between the price of our CDIs on the ASX and the price of shares of our common stock on a U.S. securities exchange. Such arbitrage activities could cause our stock price in the market with the higher value to decrease to the price set by the market with the lower value and could also lead to significant volatility in the price of our common stock or CDIs.

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

The trading market for our CDIs on the ASX is influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of the analysts currently covering our securities ceases coverage, the trading price for our CDIs on the ASX would be negatively impacted. If any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model, our intellectual property or our CDI performance, or if our results of operations fail to meet the expectations of analysts, our CDIs and common stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our common stock price or trading volume to decline.

Investors may have difficulty in reselling their shares due to the lack of market or state Blue Sky laws.

Our common stock is not currently traded on any U.S. securities exchange. No market may ever develop for our common stock, or if developed, may not be sustained in the future. The holders of our shares of common stock and persons who desire to purchase them in any trading market that might develop in the future should be aware that there might be significant state law restrictions upon the ability of investors to resell our shares. Accordingly, even if we are successful in having the shares available for trading on the over-the-counter markets, investors should consider any secondary market for our common shares to be a limited one. We may seek

coverage and publication of information regarding our Company in an accepted publication, which permits a "manual exemption." This manual exemption permits a security to be distributed in a particular state without being registered if the company issuing the security has a listing for that security in a securities manual recognized by the state. However, it is not enough for the security to be listed in a recognized manual. The listing entry must contain (1) the names of issuers, officers, and directors, (2) an issuer's balance sheet, and (3) a profit and loss statement for either the fiscal year preceding the balance sheet or for the most recent fiscal year of operations. We may not be able to secure a listing containing all of this information. Furthermore, the manual exemption is a non-issuer exemption restricted to secondary trading transactions, making it unavailable for issuers selling newly issued securities. Most of the accepted manuals are those published in Standard and Poor's, Moody's Investor Service, Fitch's Investment Service, and Best's Insurance Reports, and many states expressly recognize these manuals. A smaller number of states declare that they "recognize securities manuals" but do not specify the recognized manuals. Accordingly, our common shares should be considered totally illiquid, which inhibits investors' ability to resell their shares

Our financial condition and results of operations are subject to foreign currency fluctuation risks.

A portion of our revenue is denominated in non-U.S. dollars. Accordingly, our revenue will be affected by fluctuations in the rates by which the U.S. dollar is exchanged with non-U.S. dollars. For example, a weakening in the value of the U.S. dollar as compared to the Australian dollar would have the effect of reducing the U.S. dollar value of Australian dollar revenue. Alternatively, a weakening of the Australian dollar as compared to the U.S. dollar would have an effect of increasing the U.S. dollar value of Australian dollar revenue. Although steps may be undertaken to manage currency risk (for example via hedging strategies), adverse movements in the U.S. dollar against the non-U.S. dollar revenue may have an adverse impact on our business, financial condition and results of operations. We have not historically used foreign exchange contracts to help manage foreign exchange rate exposures.

If we are not able to maintain sufficient cash funds, we may cease trading on the ASX.

If we are not able to maintain sufficient funds to fund our activities or if ASX considers that our financial position is not adequate to warrant the continued quotation of our CDIs on ASX, ASX may suspend our CDIs from quotation. This would limit our liquidity and, in particular, could harm the ability of CDI holders to liquidate their position in our company. In addition, the value of our company could decline if we are not able to maintain our listing on ASX.

The different characteristics of the capital markets in Australia and the United States may negatively affect the trading prices of our CDIs and common stock, and may limit our ability to take certain actions typically performed by a U.S. company.

We are subject to ASX listing and associated Australian regulatory requirements, and may in the future determine to concurrently list our shares on a U.S. securities exchange as well, which will have its own listing and regulatory requirements. Such exchanges will have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules, and investor bases (including different levels of retail and institutional participation). As a result of these differences, the trading prices of our CDIs and our common stock may not be the same, even allowing for currency differences. Fluctuations in the price of our common stock due to circumstances unusual to the U.S. capital markets could materially and adversely affect the price of the CDIs, or vice versa. Certain events having significant negative impact specifically on the Australian capital markets may result in a decline in the trading price of our CDIs notwithstanding that such event may not impact the trading prices of securities listed in Australia generally or to the same extent, or vice versa.

In addition, the listing and regulatory requirements of the ASX may limit our ability to take certain actions typically performed by a U.S. company. For example, the ASX Listing Rules limit the amount of equity securities that a listed company can issue without the approval of its stockholders over any 12 month period to

15% of the outstanding share capital on issue at the start of the period, unless an exception applies. Failure to obtain this approval may make it more difficult for us to issue equity securities in the future at a time and at a price that we deem appropriate. ASX rules also require stockholder approval for the granting of options and restricted stock units to our directors, even when the underlying equity incentive plan has already been approved. This creates a risk that, if stockholders do not approve the grants, our directors will not receive their expected amount of equity compensation. This may make it more difficult for us to attract and retain directors, which could have a material adverse effect on our business, results of operations, financial condition, and prospects.

Further, ASX Listing Rules prohibit us from buying back CDIs on-market at a price which is 5% or more above the volume weighted average market price of our CDIs, calculated over the last five days on which sales of CDIs were recorded before the day on which the purchase under the buy-back was made, which, as a result, may make it more difficult to repurchase our CDIs on-market. In addition, should we wish to undertake an on-market buy-back, the ASX may impose further requirements on us as if we were subject to the Corporations Act 2001 (Cth) of Australia, which may include the need to obtain stockholder approval to do so.

Lastly, the ASX Listing Rules prohibit the issuance of equity securities by a company without stockholder approval during the three-month period after it learns that a person is making, or proposes to make, a takeover for its securities, unless an exception applies. As a result, if a hostile takeover bid is made in respect of our CDIs or common stock, the ASX Listing Rules may limit our ability to issue equity securities, either as a counter-measure to the takeover bid or to fund operations.

Provisions of our charter documents and Delaware law may inhibit a takeover, which could limit the price investors might be willing to pay in the future for our common stock.

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Some provisions of our charter documents could make it more difficult for a third party to acquire control of us, even if the change of control would be beneficial to our stockholders, including: (i) limitations on the ability of our stockholders to act by written consent or call a special meeting; (ii) establishing advance notice provisions for nominations for elections to the Board; and (iii) establishing that our Board is divided into three classes, with each class serving three-year, staggered terms. These provisions could discourage an acquisition of us or other change in control transactions, thereby negatively affecting the price that investors might be willing to pay in the future for our common stock.

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We have not yet tested our internal controls in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). Tile identified a material weakness in Tile's internal control over financial reporting in its audited consolidated financial statements for the year ended March 31, 2021. If we are unable to remediate this material weakness, or if we identify additional material weaknesses in the future or otherwise fail to maintain effective internal control over financial reporting, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business and the price of our common stock and CDIs.

We have not previously been required to comply with the rules of the SEC implementing Section 404 of the Sarbanes-Oxley Act and therefore are not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Upon becoming a registrant, we will be required to comply with the SEC's rules implementing Section 302 and 404 of the Sarbanes-Oxley Act, which will require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of controls over financial reporting. Though we will be required to disclose changes made in our internal controls and procedures on a quarterly basis, we will not be required to make our first annual assessment of our internal control over financial reporting pursuant to Section 404 until 2023, the year following our first annual report required to be filed with the SEC. Pursuant to the Jumpstart our Business Startups Act of 2012 (the "JOBS Act"), our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting until the later of the year following our first annual report required to be filed with the SEC or the date we are no longer an emerging growth company, which may be up to five full fiscal years following the effectiveness of this Form 10.

Accordingly, our internal controls over financial reporting does not currently meet all of the standards contemplated by Section 404 of the Sarbanes-Oxley Act that we will eventually be required to meet. We will establish formal procedures, policies, processes and practices related to financial reporting and to the identification of key financial reporting risks, assessment of their potential impact and linkage of those risks to specific areas and activities within our organization.

In connection with the preparation and audit of Tile's consolidated financial statement for the year ended March 31, 2021, a material weakness was identified in Tile's internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of Tile's consolidated financial statements will not be prevented or detected on a timely basis. Tile's material weakness related to the following control deficiency: it did not design and maintain effective controls related to Tile's processes, procedures and internal controls, including review and approval procedures with respect to financial information generated to prepare the annual consolidated financial statements. Specifically, Tile has a design deficiency with respect to (i) its controller's ability to create and post its own journal entries, (ii) segregation of duties and (iii) adequate controls related to the preparation and review of journal entries.

Life360 is currently in the process of integrating Tile, including its enterprise resource planning systems and other operating systems, following Life360's acquisition of Tile in January 2022. Among other things, Life360 will review the various user and role permissions, and as part of our integration and remediation plan expects to adopt entity-level controls, including properly segregating duties among appropriate personnel and ensuring that no preparer can approve its own journal entries. While these actions and planned actions are subject to ongoing management evaluation and will require validation and testing of the design and operating effectiveness of internal controls over a sustained period, we are committed to continuous improvement and will continue to diligently review our internal control over financial reporting.

While we believe these efforts will remediate the material weakness, we may not be able to complete our evaluation, testing or any required remediation in a timely fashion, or at all. Because we do not currently have comprehensive documentation of our internal control and have not yet tested our internal controls in accordance with Section 404 of the Sarbanes-Oxley Act, we cannot conclude, as required by Section 404, that we do not have a material weakness in our internal controls or a combination of significant deficiencies that could result in the conclusion that we have a material weakness in our internal controls. We cannot assure you that the measures we have taken to date and may take in the future, will be sufficient to remediate the control deficiencies that led to Tile's material weakness in internal control over financial reporting or that we will prevent or avoid potential future material weaknesses. The effectiveness of our internal control over financial reporting is subject to various inherent limitations, including cost limitations, judgments used in decision making, assumptions about the likelihood of future events, the possibility of human error and the risk of fraud. To comply with Section 404, we expect to incur substantial cost, expend significant management time on compliance-related issues and hire additional accounting, financial, and internal audit staff with appropriate public company financial reporting experience and technical accounting knowledge. If we are unable to remediate the material weakness or identify additional material weaknesses in the future, our ability to record, process and report financial information accurately, and to prepare financial statements within the time periods specified by the forms of the SEC, could be adversely affected which, in turn, may adversely affect our reputation and business and the market price of our common stock and CDIs. In addition, any such failures could result in litigation or regulatory actions by the SEC, the ASX or other regulatory authorities, loss of investor confidence, deregistration of our securities and harm to our reputation and financial condition, or diversion of financial and management resources from the operation of our business.

Our Certificate of Incorporation provides, subject to certain exceptions, that the Court of Chancery of the State of Delaware is the exclusive forum for certain stockholder litigation matters, which could limit our stockholders' ability to bring a claim in a judicial forum that they find more favorable for disputes with us or our directors, officers, employees or stockholders.
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Pursuant to our Certificate of Incorporation unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action or proceeding asserting a claim of breach of a fiduciary duty by any of our stockholders, directors, officers, employees or agents to us or our stockholders, (3) any action or proceeding asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law or our certificate of incorporation or bylaws or (4) any action or proceeding asserting a claim governed by the internal affairs doctrine. The forum selection clause in our amended and restated certificate of incorporation may have the effect of discouraging lawsuits against us or our directors and officers and may limit our stockholders' ability to bring a claim in a judicial forum that they find more favorable for disputes with us or any of our directors, officers, other employees, or stockholders. The exclusive forum provision does not apply to any actions brought to enforce a duty or liability created by the Securities Act of 1933, as amended (the "Securities Act"), the Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction.
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Alternatively, if a court were to find the choice of forum provision contained in our Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business, financial condition and results of operations.

General Risk Factors

We are an "emerging growth company," as defined under the federal securities laws.
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We are an "emerging growth company," as defined in the JOBS Act, and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, among other things, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act ("Section 404(b)"), an extended transition period provided in the Securities Act for complying with new or revised accounting standards, and reduced disclosure obligations regarding executive compensation. As a result, our stockholders may not have access to certain information that they may deem important.
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We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year following the fifth anniversary of the completion of an initial public offering of our common stock, (ii) the last day of the fiscal year in which we have total annual gross revenues of at least $1.07 billion, (iii) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period, and (iv) the date on which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non-affiliates exceeds $700 million as of the prior December 31st.

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can delay adopting new or revised accounting standards until those standards apply to private companies. We have elected to use the extended transition period under the JOBS Act. Accordingly, our consolidated financial statements may not be comparable to the financial statements of reporting companies that comply with such new or revised accounting standards.

If we fail to maintain effective internal controls over financial reporting, our ability to produce timely and accurate financial information or comply with Section 404(b) could be impaired, which could have a material adverse effect on our business and stock price. Upon becoming a reporting company, we will be required to comply with Section 404(b), which will require management to certify financial and other information in our

quarterly and annual reports and provide an annual management report on the effectiveness of our internal control over financial reporting commencing with our second annual report after the effectiveness this Registration Statement. In addition, under Section 404(b) our independent registered public accounting firm will also need to attest to the effectiveness of our internal control over financial reporting in the future to the extent that we are no longer an emerging growth company or a smaller reporting company. To achieve compliance with Section 404(b) within the prescribed period, we will need to continue to dedicate internal resources, engage outside consultants and continue to execute on a detailed work plan to assess and document the adequacy of our internal control over financial reporting, continue taking steps to improve control processes, as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Section 404.

The failure to achieve and maintain an effective internal control environment could have a material adverse effect on our business, financial condition and results of operations. In the event that we are not able to demonstrate compliance with Section 404, or if our internal control over financial reporting is perceived as inadequate or it is perceived that we are unable to produce timely or accurate consolidated financial statements, we could become subject to investigations by the SEC or other regulatory agencies, which could require addition financial and management resources.

As a reporting company, we will be subject to additional reporting requirements of the Exchange Act, the Sarbanes-Oxley Act.

We will incur increased costs and become subject to additional regulations and requirements as a result of becoming a U.S. reporting company, and our management will be required to devote substantial time to complying with Delaware laws, Australian laws, and reporting requirements pursuant to U.S. securities laws, which could lower profits and make it more difficult to run our business.

As a U.S. reporting company, we expect to incur significant legal, accounting, reporting, and other expenses that we have not previously incurred, including costs associated with the SEC reporting company requirements. We also have incurred, and will continue to incur, costs associated with compliance with the rules and regulations of the SEC, the Sarbanes-Oxley Act, and the Dodd-Frank Wall Street Reform and Consumer Protection Act, and various other costs of a reporting company. Registration under the Exchange Act will involve our filing of an initial registration statement with the SEC and the filing of ongoing annual, quarterly, and current reports on Forms 10-K, 10-Q and 8-K, respectively. In the absence of a waiver from the ASX Listing Rules, which we may or may not receive, these SEC periodic reports will be in addition to the periodic filings required by the ASX Listing Rules.

As a Delaware corporation, we must also ensure continued compliance with the Delaware law and, as we will be listed on the ASX and registered as a foreign company in Australia, we will also need to ensure continuous compliance with relevant Australian laws and regulations, including the ASX Listing Rules and Australia's Corporations Act 2001 (Cth) of Australia. To the extent of any inconsistency between Delaware law and Australian law and regulations, we may need to make changes to our business operations, structure or policies to resolve such inconsistency. If we are required to make such changes, this is likely to result in additional demands on management and extra costs.

We expect these rules and regulations to increase our legal and financial compliance costs and to make some activities more time-consuming and costly, although we are currently unable to estimate these costs with any degree of certainty. Our management will need to devote a substantial amount of time to ensure that we comply with all of these requirements. These laws and regulations also could make it more difficult and costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or

similar coverage. These laws and regulations could also make it more difficult to attract and retain qualified persons to serve on our Board and board committees and serve as executive officers. Furthermore, if we are unable to satisfy our obligations as a reporting company, we could be subject to fines, sanctions, and other regulatory action and potentially civil litigation and we could be subject to delisting of our CDIs on the ASX or other exchange on which our securities may be traded.

We may be required to delay recognition of some of our revenue, which may harm our financial results in any given period.

Due to specific revenue recognition requirements under GAAP, we must have very precise terms in our contracts to recognize revenue when we initially provide our products and services. Although we strive to enter into agreements that meet the criteria under GAAP for current revenue recognition on delivered performance obligations, our agreements are often subject to negotiation and revision based on the demands of our customers. The final terms of our agreements sometimes result in deferred revenue recognition, which may adversely affect our financial results in any given period. In addition, more customers may require extended payment terms, shorter term contracts or alternative arrangements that could reduce the amount of revenue we recognize upon delivery of our other products and services, and could adversely affect our short-term financial results.

Furthermore, the presentation of our financial results requires us to make estimates and assumptions that may affect revenue recognition. In some instances, we could reasonably use different estimates and assumptions, and changes in estimates are likely to occur from period to period. Accordingly, actual results could differ significantly from our estimates.

Severe weather, natural disasters, global pandemics, acts of war or terrorism, theft, civil unrest, government expropriation or other external events could have significant effects on our business.

Severe weather and natural disasters, including hurricanes, tornados, earthquakes, fires, droughts and floods, acts of war or terrorism (such as the recent escalation in regional conflicts exemplified by Russia's invasion of Ukraine), epidemics and global pandemics (such as the outbreak of COVID-19), theft, civil unrest, government expropriation, condemnation or other external events in the markets where our apps are available for download or where our customers live could have a significant effect on our ability to conduct business. Such events could affect the stability of our deposit base, cause significant property damage, impair employee productivity, result in loss of revenue and/or cause us to incur additional expenses. The occurrence of any such event could have a material adverse effect on our business, which, in turn, could have a material adverse effect on our financial condition and results of operations.

ITEM 2. FINANCIAL INFORMATION.

The discussion of our financial condition and operating results should be read together with our accompanying audited consolidated financial statements included in this Registration Statement.

Life360 Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion of our financial condition and results of operations together with our audited consolidated financial statements and notes to such financial statements included elsewhere in this Registration Statement.

The following discussion contains forward-looking statements that involve risks and uncertainties regarding, among other things, (a) our projected sales, profitability, and cash flows, (b) our growth strategy, (c) anticipated trends in our industry, (d) our future financing plans, and (e) our anticipated needs for, and use of, working capital. They are generally identifiable by use of the words "may," "will," "should," "anticipate,"

"estimate," "plan," "potential," "project," "continuing," "ongoing," "expects," "management believes," "we believe," "we intend," or the negative of these words or other variations on these words or comparable terminology. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this filing will in fact occur. You should not place undue reliance on these forward-looking statements.

The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industry, business and future financial results. The forward-looking statements speak only as of the date on which they are made, and, except to the extent required by federal securities laws, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statements are made or to reflect the occurrence of unanticipated events. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed under "Item 1A. Risk Factors" and other sections in this Registration Statement. See "Forward-Looking Statements."

Overview

Life360 is the leading technology platform, according to market share of the family safety and location sharing app market based on revenue, to locate the people, pets and things that matter most to families. See "Market and Industry Data" for more information on how we calculate market share. Life360 is creating a new category at the intersection of family, technology, and safety to help keep families connected and safe. We provide safety services delivered through a mobile-native, subscription-based offering built around location-sharing, mobility, driving, and coordination. In 2021, we estimated one in 10 families in the United States used the Life360 Platform and, on average, our U.S. active users and members who have enabled push notifications used the service over 15 times a day to coordinate and communicate. We also provide coverage for the "what ifs" that families worry about most, ranging from driving safety, personal SOS, identity theft protection and more. Nothing is more important than family, and we help provide peace of mind in life's unpredictable moments for families around the world.

We started Life360 in 2007 with the vision that families would need a dedicated safety membership that incorporates a suite of safety services that span every life stage of the family. We set out to become the most trusted family safety brand globally. We started by creating one of the first smartphone-based location apps on the Google Android platform, and since then we have consistently expanded our offering and evolved from an app into a much broader platform. As a result of our innovation, we are the category leader within apps that target the family safety and location sharing app market. We have averaged a top seven ranking in the U.S. Apple App Store for downloads in the social networking category for the last three years.
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The Life360 Platform was built on a pre-launch version of the Android operating system. This early bet on the proliferation of connected devices allowed us to leapfrog legacy incumbents that were still building products suited to a pre-mobile era, such as expensive dedicated GPS devices to share location. For over a decade, we have leveraged our core competency in mobile product, technology, research and development, with approximately 200 U.S. patents issued or pending, to form a dedicated and engaged member base, reaching over 38 million members on the Life360 Platform as of March 31, 2022.
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As our platform has continued to gain scale and traction, we have focused on the monetization and bundling of services to accelerate our financial growth profile. The past few years have proven the effectiveness of our launched services as the business has consistently reached significant milestones.

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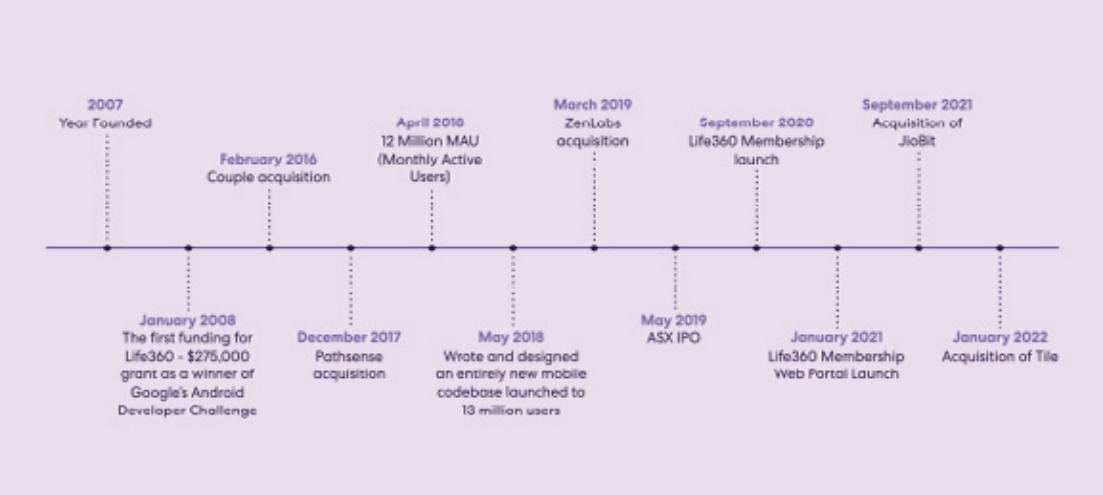

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Our platform recently entered a new era of location tracking services with the successful acquisitions of Jiobit and Tile. By offering devices and integrated software to members, we have expanded our addressable market to provide members of all ages with a vertically integrated, cross-platform solution of scale. Our core competencies in engineering, data analytics, product design, personalization and assessment are applicable not only to location sharing but also other adjacent verticals and use cases. Life360 has a unique opportunity to further entrench its service by expanding offerings across our core and complementary verticals, such as location sharing, item tracking, crash and roadside assistance, identity theft protection, pet and children location sharing devices, and many more.

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For the three months ended March 31, 2022 and 2021, Life360 generated:

- Total revenues of $51.0 million and $23.0 million, respectively, representing year-over-year growth of 122%;
- Subscription revenues of $33.1 million and $17.1 million, respectively, representing year-over-year growth of 93%;
- Hardware revenues of $9.7 million and nil, respectively, representing year-over-year growth of 100%;
- Other revenues of $8.3 million and $5.9 million, respectively, representing year-over-year growth of 41%;
- Gross profit of $35.1 million and $18.5 million, respectively, representing year-over-year growth of 90%;
- Net loss of $25.2 million and $3.9 million, respectively; and
- Adjusted EBITDA loss of $13.7 million and $1.5 million, respectively. For a reconciliation of Adjusted EBITDA to net loss, the most directly comparable GAAP measure, see "—Non-GAAP Financial Measures."

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For the years ended December 31, 2021 and 2020, Life360 generated:

- Total revenues of $112.6 million and $80.7 million, respectively, representing year-over-year growth of 40%;

- Subscription revenues of $86.6 million and $58.5 million, respectively, representing year-over-year growth of 48%;

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- Hardware revenues of $1.0 million and nil, respectively, representing year-over-year growth of 100%;
- Other revenues of $25.1 million and $22.2 million, respectively, representing year-over-year growth of 13%;

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- Gross profit of $89.9 million and $65.3 million, respectively, representing year-over-year growth of 38%;
- Net loss of $33.6 million and $16.3 million, respectively; and
- Adjusted EBITDA loss of $13.1 million and $7.0 million, respectively. For a reconciliation of Adjusted EBITDA to net loss, the most directly comparable GAAP measure, see "—Non-GAAP Financial Measures."

Our Business Model

For Life360, we use a freemium business model that relies on a premium subscription offering to produce revenue. We believe the following key attributes of our freemium subscription business model are core to our success:

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- ***Freemium Offering*.** None of our core location or safety offerings are behind a paywall. Anyone can download the Life360 app, use it for as long as they like and gain access to our valuable, real-time features free of charge. Freemium members provide two benefits to our business model:
  - They become advocates for Life360 and provide word-of-mouth publicity for our platform, which enables our growth, and has allowed us to expand our member base efficiently with limited marketing spend. From 2016 through the end of March 2022, we spent a cumulative $48.5 million on user acquisition marketing, even as Life360 was downloaded millions of times.

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  - Our U.S. active users and members who have enabled push notifications are highly engaged with the Life360 Platform, on average checking their family's safety over 15 times per day in 2021. This provides us a wealth of insight into member behavior and opportunities to monetize by marketing premium features within the app. Life360's freemium offering generates a consistent pipeline of leads with opportunities to monetize the subsequent member base by upselling offers to members for other services. This strategy has been strengthened with our recent acquisitions of Tile and Jiobit and we expect to realize further benefits as we integrate these businesses.
- ***High Value Proposition.*** On average, each Paying Circle in the United States generates approximately $7.36 per month with subscription options available from $4.99 per month. Not only does this offer an attractive value to other digital consumer subscription businesses (which can be meaningfully higher), it also paves the path for long-term profitability through the lifetime value of Paying Circles. Our affordable family and safety-focused services provide the foundation for long-term growth as digitally native members remain engaged with, and increase their use of, the platform over the course of their lives.
- ***Wallet Share Expansion.*** Our recent acquisitions of Tile and Jiobit bring a significant potential opportunity to gain greater wallet share for digital spend on essential services. In the same way consumers often hold multiple subscriptions for digital entertainment, the Life360 Service is poised to provide integrated digital services connecting subscribers to a range of important family and safety needs from locating a pet to monitoring the health of elderly family members or friends. We believe that these increased upselling opportunities will generate greater revenue by converting existing and new subscribers to a bundle of services across our platform.

Our offerings under the Tile and Jiobit brands provide access to our subscription services via the purchase of hardware devices. While we generate revenue from the sale of these devices, the strategic value of our hardware

is aimed at subscription enablement and we expect that over time, although sales volumes will increase, the percentage of revenue from hardware sales will decline.

Furthermore, as shown by the acquisition of Jiobit, Life360 can continue to expand its serviceable market with complementary services for a broad network of potential members. This was achieved with Jiobit by opening up a new segment of younger, tech savvy parents with pre-teen kids, independent home living seniors, and pets. Life360 expects continued impact of bundling Jiobit's high value, low-cost physical device into Life360's top membership tiers, to boost both conversion and retention.

Subscription Revenue

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Approximately 65% of our revenue for the three months ended March 31, 2022 and over 77% of our revenue for the year ended December 31, 2021 was generated by our Premium Memberships, which offer our members access to a platform that helps them on the go with safety and peace of mind. When we invest in features of our Premium Memberships, we are investing across the spectrum of benefits from generic services for the broader audience of families, including travel benefits, to more customized offerings that leverage our insights about families to support identity protection, personal safety and wearables tracking.

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As of March 31, 2022, Life360 had three Premium Memberships options in the United States and Canada. Outside of these two markets, Life360 offers the free membership and Life360 Premium. Members can sign up for one of our subscription tiers depending on their needs, selecting either a monthly or annual subscription plan, which enables them to acquire the access rights for their Circle of members.

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Approximately 19% of our revenue for the three months ended March 31, 2022 and approximately 1% of our revenue for the year ended December 31, 2021 was generated from the sale of our Tile and Jiobit tracking devices. While we generate revenue from the sale of these devices, the strategic value of our hardware is aimed at subscription enablement and we expect that over time, although sales volumes will increase, the percentage of revenue from hardware sales will decline.

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Other Revenue

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Approximately 16% of our revenue for the three months ended March 31, 2022 and approximately 22% of our revenue for the year ended December 31, 2021 was generated indirectly. Indirect revenue includes the sale of data insights from our member base and the sale of third-party products and services, including through targeted ads within our platform. For example, we generate revenue through the display of auto insurance products within the Life360 Platform.

The privacy of our members' data remains at the core of our business. In 2022 we agreed to a new data partnership with Placer to move toward selling only aggregated data insights. We are in the process of winding down our legacy data sales partnerships and will be transitioning to an aggregated data sales model, in order to enhance privacy protections for our members and reduce risks to the business. We will continue to derive indirect revenues through the sale of third-party products and services, including through ads within our platform. In keeping with our vision and consistent with that aggregated data sales model, we are exploring ways, in the future, to enable members to avail themselves of compelling offers and opportunities by enabling our partners to use their data with members' explicit, affirmative opt-in consent.

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Recent Developments

Tile Acquisition

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In January 2022, we acquired Tile. Founded in 2012, Tile uses Bluetooth technology to help people find the things that matter to them the most, locating millions of unique items every day. In addition to offering a range of devices, Tile works with over 30 partners and is embedded in over 50 partner products across audio, travel, wearables and personal computer categories. Tile's products come in various shapes, sizes and price points for different use cases. As of March 31, 2022, Tile has sold over 50 million Tile devices since its inception and has over 478,400 subscribers to the premium Tile offering, which offers additional services.

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In connection with the Tile Acquisition, we entered into an agreement and plan of merger with total consideration comprised of: (i) $158.0 million in cash; (ii) 780,593 shares of common stock issued to the securityholders of Tile, of which 1,561 shares were granted to a key employee and vest based on continued employment; and (iii) 534,465 shares of common stock contingent upon achieving certain financial conditions of which 4,784 shares of contingent consideration were granted to a key employee and vest based on continued employment. In addition, we granted 1,499,349 restricted stock units in retention awards for Tile employees, subject to performance requirements and/or continued employment. We paid the purchase price for the acquisition using the proceeds from the 2021 Private Placement (as defined below).

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The following discussion and analysis of Life360's financial condition and results of operations for the years ended December 31, 2021 and 2020 does not include the effects of the Tile Acquisition, which closed on January 5, 2022. The discussion and analysis of Life360's financial condition and results of operations for the three months ended March 31, 2022 and 2021 do include the effects of the Tile Acquisition. Life360 will be treated as the acquiror in the Tile Acquisition for accounting purposes. As a result, our historical results are not necessarily indicative of the results that may be expected for any period in the future and the discussion and analysis included herein. For additional information related to Tile, see the sections entitled "Tile Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Unaudited pro forma condensed combined financial data for the year ended December 31, 2021," included elsewhere herein.

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December 2021 Equity Raise

In December 2021, the Company closed an underwritten offering of 7,779,014 shares of its common stock (equivalent to 23,337,042 CDIs) (the "2021 Private Placement"). The price of the shares sold in the offering was A$36.00 per share (A$12.00 per CDI). The total gross proceeds from the offering to the Company were $198.7 million. After deducting underwriting discounts and commissions and offering expenses payable by the Company, the aggregate net proceeds received by the Company totaled approximately $193.1 million.

Jiobit Acquisition

In September 2021, we acquired Jiobit (the "Jiobit Acquisition"). Founded in 2015, Jiobit is a leading location sharing platform for families. The Jiobit is a small, lightweight device that can be attached to items kids wear or carry, like belt loops, shoelaces and school backpacks, and in particular, allows families to track younger children who don't yet have their own mobile device.

The Jiobit Acquisition was consummated for total consideration of $43.2 million, comprised of; (i) $7.3 million in cash; (ii) an additional $5.9 million of consideration contingent upon reaching certain operational goals for 2021 and 2022; (iii) $11.6 million in fair value of convertible notes issued to stockholders; (iv) the forgiveness of $4.0 million of Jiobit's convertible debt held by Life360; (v) $0.6 million of Life360 vested common stock options for 25,245 shares issued to Jiobit employees; and (vi) $13.8 million of 674,516 shares of the Company's common stock on the date of acquisition. We paid the purchase price for the acquisition using cash generated from operations. In April 2022, the Jiobit Acquisition agreement was amended and the Company issued an additional 376,576 shares to Jiobit stockholders as contingent consideration in exchange for a release by Jiobit stockholders of future claims to any additional contingent consideration.

Impact of COVID-19

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The COVID-19 pandemic had an initial impact on our operations and financial performance, as we saw decreased engagement and member growth in the early phase of the pandemic. To adapt to the COVID-19 impact, the Company paused the majority of paid user acquisition spend and implemented other expense management initiatives. Once past the immediate early phase of COVID-19, we saw a resumption of rapid growth and we experienced two successive quarters of record Paying Circle additions in the second half of 2021. The extent of the impact of the COVID-19 pandemic on our operational and financial performance going forward will depend on future developments, including the duration and spread of the outbreak, new information about additional variants, the availability and efficacy of vaccine distributions, additional or renewed actions by government authorities and private businesses to contain the pandemic or respond to its impact and altered consumer behavior, the pace of reopening, impact on our customers and our sales cycles, impact on our business operations, impact on our customer, employee or industry events, and effect on our vendors and other business partners, all of which are uncertain and cannot be predicted. Any such developments may have adverse impacts on global economic conditions, including disruptions of the supply chain globally, labor shortages and consumer confidence and spending, and could materially adversely affect demand, or subscribers' ability to pay, for our products and services. We considered the impact of COVID-19 on the assumptions and estimates used and determined that there were no material adverse impacts on our consolidated financial statements for the year ended December 31, 2021. As events related to COVID-19 continue to evolve, our assumptions and estimates may change materially in future periods. For additional information, see "Risk Factors—Risks Related to Our Business—The COVID-19 pandemic or the outbreak of any infectious disease in the United States or worldwide has adversely affected, and could continue to adversely affect, our business."

Key Factors Affecting Our Performance

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As we focus on growing our customers and revenue, and achieving profitability while investing for the future and managing risk, expenses and capital, the following factors and others identified in the section of this Registration Statement titled "Risk Factors" have been important to our business and we expect them to impact our operations in future periods:

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Ability to Retain Trusted Brand. We strongly believe in our vision to become the indispensable safety membership for families, with a suite of safety services that span every life stage of the family. Our business model and future success are dependent on the value and reputation of the Life360 and Tile brands. Our brand is trusted by over 38 million members as of March 31, 2022, and because we know the value of trust is immeasurable, we will continue to work tirelessly to ensure that we provide useful, reliable, trustworthy and innovative products and services.

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Attract, Retain and Convert Members. Our business model is based on attracting new members to our platform, converting free members to subscribers, and retaining and expanding subscriptions over time. Our continued success depends in part on our ability to offer compelling new products and features to our members, and to continue providing a quality user experience to retain paying subscribers. We will also seek to increase brand awareness and customer adoption of our platform through various programs and digital and broad-scale advertising.

Maintaining Efficient Member Acquisition. Our investment in developing effective services and devices creates an efficient member acquisition model which drives strong unit economics. The organic member acquisition is complemented with our word-of-mouth and freemium model. We accelerate our organic member acquisition with strategic and targeted paid marketing spend. We expect to continue to invest in product and marketing, while balancing growth with strong unit economics. As we continue to expand internationally, we may increase our targeted marketing investments.

Growth in ARPPC. Our business model is dependent upon our ability to grow and maintain a large member base, including growing the number of Paying Circles. We have a sophisticated understanding of our members, and as a result, the services we provide are core to families and hard to switch out of. We continue to develop new monetization features leveraging our core technologies to offer additional services, expand into more stages of families and enter new verticals to increase adoption. Many factors will affect the ARPPC including the number of Paying Circles, mix of monetization offerings on our platform, as well as demographic shifts and geographic differences across these variables.

Expanding the Offerings on Our Platform. We are continually evaluating new product offerings that are aligned with our core competencies and the needs of families across the life stage continuum. For example, our acquisition of Tile gives our members the ability to seamlessly leverage Bluetooth-enabled smart trackers, which can equip nearly any item—such as wallets, keys or remotes—with location-based finding technology. Likewise, our acquisition of Jiobit will allow our subscribers to track family members and pets wearing Jiobit devices via a single unified family map. We will continue to invest in and launch products where we see opportunities to grow our platform.
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Attracting and Retaining Talent. We compete for talent in the technology industry. Our business relies on the ability to attract and retain talent, including engineers, data scientists, designers and software developers. As of March 31, 2022, we had approximately 600 employees and contractors. Our core values are aimed at simplifying safety for families and we believe there are people who want to work at a values-driven company like Life360. We believe that our ability to recruit talent is aided by our reputation.

Seasonality. We experience seasonality in our user growth, engagement, Paying Circles growth and monetization on our platform. Life360 has historically experienced member and subscription growth seasonality in the third quarter of each calendar year, which includes the return to school for many of our members. Tile has historically experienced revenue seasonality in the fourth quarter of each calendar year, which includes the important selling periods in November (Black Friday and Cyber Monday) and December (Christmas and Hanukkah) in large part due to seasonal holiday demand. For example, during the fiscal years ended March 31, 2021 and March 31, 2020, the third quarters accounted for 48% and 39% of Tile's total revenue, respectively. In the three months ended December 31, 2021 and 2020, Tile generated approximately 31% and 28%, respectively, of our fiscal year total revenue. Accordingly, an unexpected decrease in sales over those traditionally high-volume selling periods may impact our revenue, result in surplus inventory and could have a disproportionate effect on our operating results for the entire fiscal year. Seasonality in our business can also be affected by introductions of new or enhanced products and services, including the costs associated with such introductions.
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Continued Investment in Growth. We expect expenses to increase as we intend to continue to make focused investments to increase revenue and scale operations to support the growth of our business. We plan to further invest in research and development as we hire employees in engineering, product, and design to enhance our

platform and support the needs of our growing member base. We also plan to invest in sales and marketing activities to drive our subscriptions and increase our brand awareness. We expect to incur additional general and administrative expenses to support our growth and our transition to being a reporting company. Further, we continue to make investments in our technical infrastructure to support user and employee growth which will increase expenses and capital expenditures. As cost of revenue, operating expenses, and capital expenditures fluctuate over time, we may experience short-term, negative impacts to our results of operations and cash flows, but we are undertaking such investments in the belief that they will contribute to long-term growth.
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International Expansion. Our international active member base of 11.8 million increased 22% for the year ended December 31, 2021 compared to the year ended December 31, 2020. Our international active member base of 13.2 million increased 32% for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. We believe our global opportunity is significant, and to address this opportunity, we intend to continue to invest in sales and marketing efforts and infrastructure and personnel to support our international expansion, including undertaking initiatives such as the first international launch of our subscription offering in Canada during the fourth quarter of 2021. Our growth will depend in part on the adoption and sales of our products and services in international markets.
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Key Performance Indicators

We review several operating metrics, including the following key performance indicators, to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions. We believe these key performance indicators are useful to investors because they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making, and they may be used by investors to help analyze the health of our business.

Key Operating Metrics

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	As of December 31,		As of March 31,	
	2021	2020	2022	2021
	(*in millions, except ARPPC*)			
Members	35.5	26.7	38.3	28.1
Paying Circles	1.2	0.9	1.3	0.9
ARPPC	$ 80.22	$ 69.14	$ 87.66	$ 75.92

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Members

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We have a large and growing member base located in over 170 countries based on downloads through the Apple App Store and more than 130 countries based on downloads through the Google Play Store as of March 31, 2022, comprised primarily of safety-conscious families who have a high propensity to pay for premium offerings. A Life360 MAU is defined as a unique user who engages with our Life360 branded services each month, which includes both paying and non-paying members. As of March 31, 2022 and 2021, we had over 38 million and over 28 million MAUs on the Life360 Platform, respectively, representing a year-over-year increase of 36% and a CAGR of over 22% from March 2019 to March 2022. As of December 31, 2021 and 2020, we had over 35 million and over 26 million MAUs on the Life360 Platform, respectively, representing a year-over-year increase of 33% and a CAGR of over 23% from December 2018 to December 2021. This has been driven by continued strong organic member growth and the introduction of paid member acquisition.
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Paying Circles

Each subscription covers all members in the payor's Circle so that everyone in the Circle can utilize the benefits of a Life360 Premium Membership, including access to premium location, driving, digital and emergency safety insights and services.

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As of March 31, 2022 and 2021, we had approximately 1.3 million and 0.9 million paid subscribers to services under our Life360 brand, respectively, representing an increase of 43% year-over-year and a CAGR of 24% from March 2019 to March 2022.

As of December 31, 2021 and 2020, we had approximately 1.2 million and 0.9 million paid subscribers to services under our Life360 brand, respectively, representing an increase of 39% year-over-year and a CAGR of 28% from December 2018 to December 2021.
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We grow the number of Paying Circles by growing our free member base, converting a greater number of members to subscribers, and retaining them over time with the provision of high-quality family and safety services. We have experienced strong recent growth in the number of paying subscribers, benefiting from a full year of the new family membership offering which was launched during the third quarter of the year ended December 31, 2020.

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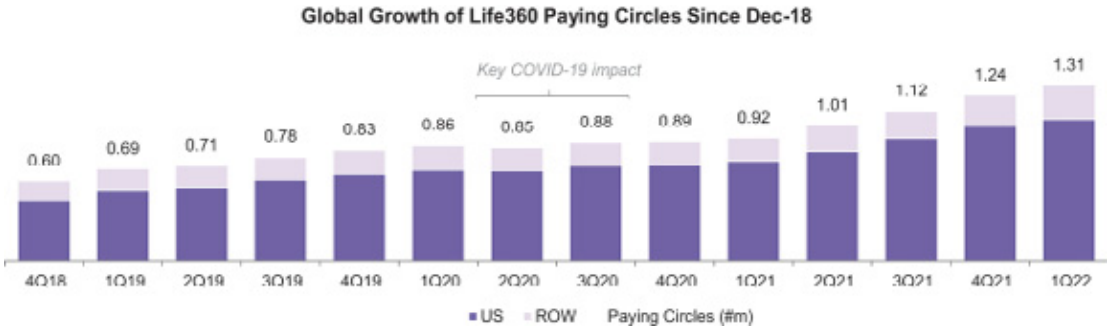

Retention by Member Cohorts
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Due to the essential service provided by the Life360 Platform, we retain over 50% of U.S. organic members after three months, on average.

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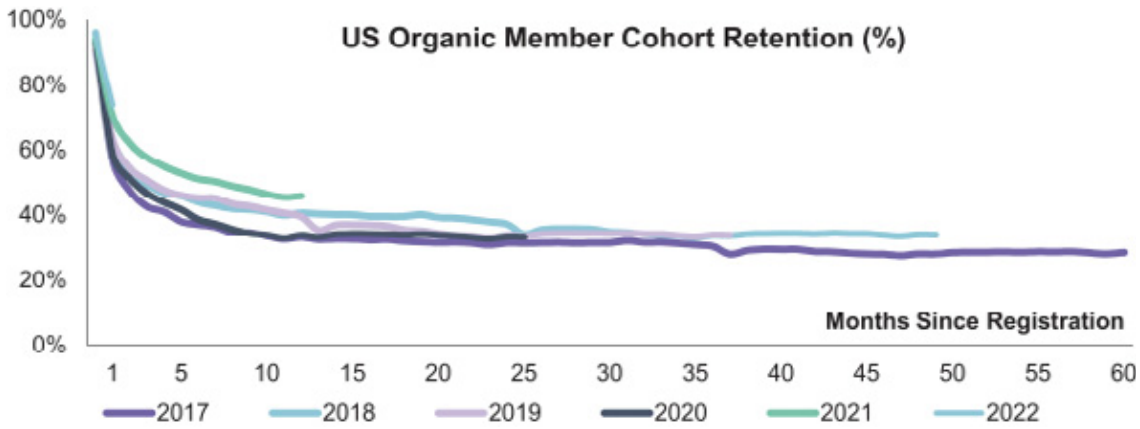
Following an expected initial churn of members post-download, the remaining member cohorts illustrate high retention with the churn rate significantly decreasing and largely stabilizing after six months. Ultimately, the strong retention of our member cohorts presents a constant opportunity to monetize and generate revenue growth from existing and new members, with approximately 30% of U.S. organic members remaining on the platform after three years.



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Conversion

New Paying Circles are primarily sourced from the conversion of existing free members, which typically occurs when they are seeking greater utility or features from the Life360 Platform, beyond our free offering. This characteristic of Life360 member behavior highlights how members are "pulled" rather than "pushed" towards the Life360 Paying Circle. Net growth in Paying Circles is also affected by our ability to retain existing Paying Circles. We have maintained high retention over time while also increasing our conversion rates as a result of new features and functionality, a theme we believe will only strengthen over time as the Life360 Service expands its product suite for Paying Circles. Our paid conversion reflects subscribers converting to paid subscriptions within the first month following their initial registration with the Life360 Platform.

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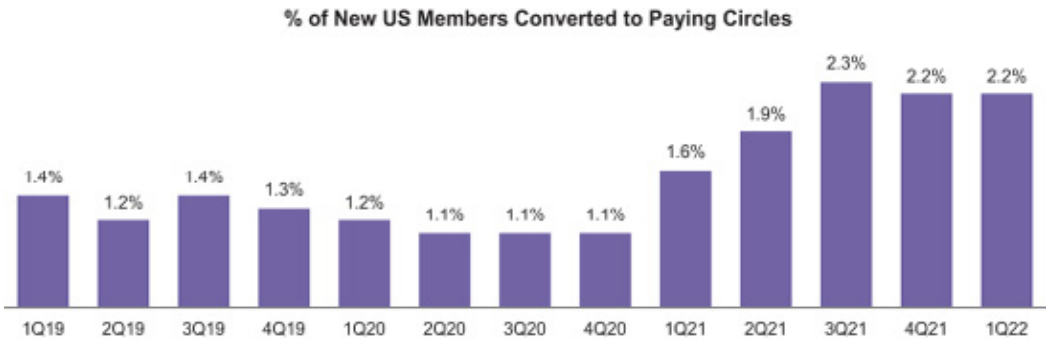

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Total Average Revenue per Paying Circle

We define ARPPC as our revenue for the period presented divided by the Average Paying Circles during the same period. Average Paying Circles are calculated based on adding the number of Paying Circles as of the beginning of the period to the number of Paying Circles as of the end of the period, and then dividing by two.

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As a result of an increase in Paying Circles combined with an increased mix of sales towards higher-priced subscription plans, we experienced an increase in our ARPPC for the three months ended March 31, 2022, compared to the three months ended March 31, 2021 and for the year ended December 31, 2021, compared to the year ended December 31, 2020.

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ARPPC is a key indicator utilized by Life360 to determine the effective penetration of our tiered product offering for Paying Circles. The implementation of various tiers of paying account offerings (i.e., Silver, Gold and Platinum in 2020) is evident as Life360's share of wallet has consistently expanded. We believe these dynamics illustrate the potential upside in our key strategic focus of expanding the offering to international Paying Circles.

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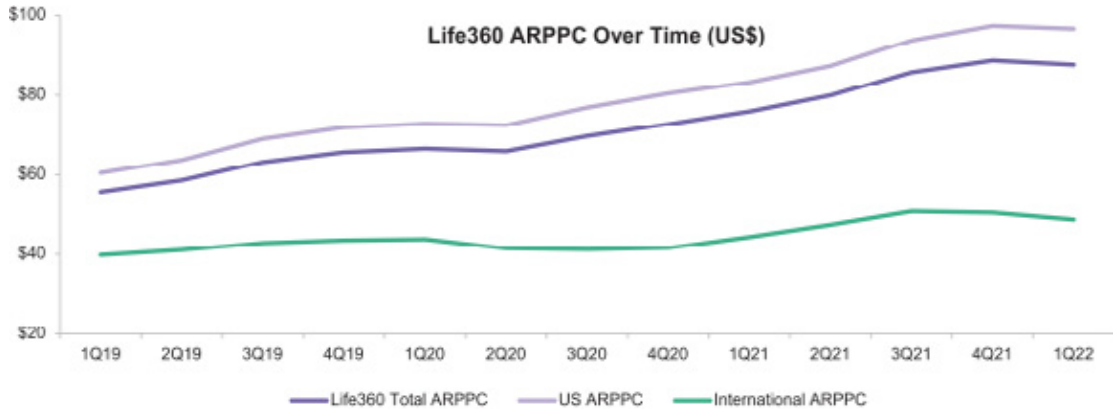

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Key Performance Indicators: Jiobit

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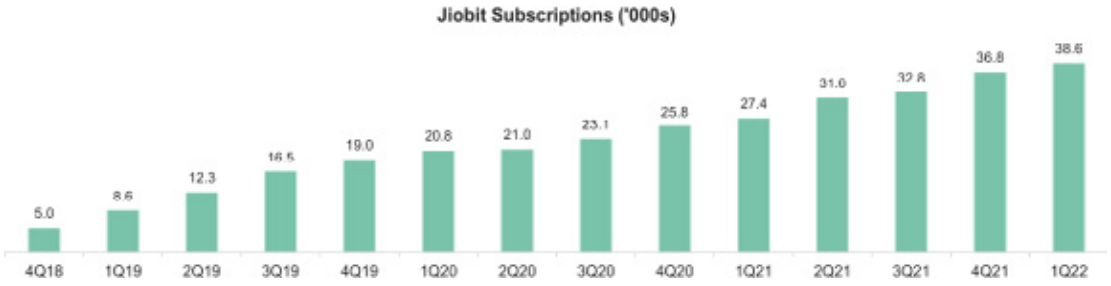
Subscriptions

For Jiobit, we have active subscriptions per period which we define as the number of subscribers that signed up for our services in the period. As of March 31, 2022 and 2021, we had approximately 39,000 and 27,000 total subscriptions, respectively, representing a year-over-year increase of 41% and a CAGR of 65% from March 2019 to March 2022. As of December 31, 2021 and 2020, we had approximately 37,000 and 26,000 total subscriptions, respectively, representing a year-over-year increase of 43% and a CAGR of over 94% from December 2018 to December 2021 (with the difference in CAGR as compared to March 2019 to March 2022 due to the growth of Jiobit subscriptions between December 2018 (approximately 5,000 subscriptions) and March 2019 (approximately 8,600 subscriptions)).

This represents a strong indicator of Jiobit subscriber engagement, with subscribers remaining active following the initial purchase of a Jiobit device and subscription. We have a further opportunity to cross-sell Life360 and Jiobit core services among both subscriber bases, expanding wallet share of both existing and new Jiobit subscribers.



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Subscriber Retention

We see significant upside potential in hardware devices forming part of our subscriber growth strategy. Following our acquisitions of Jiobit and Tile, Life360 is the only vertically integrated, cross-platform solution of scale that connects the things that are closest to our subscribers' hearts and minds every day (people, pets and things).

With both digital and physical distribution channels, hardware device sales expand Life360's acquisition funnel, allowing broader consumer reach and brand awareness and ultimately driving adoption of our core platform. We expect our planned integration to increase the "stickiness" of Life360's platform with higher subscriber retention from our "one-stop-shop" offering for all family and safety needs. Ultimately, through increased pricing, conversion and retention, we expect hardware device sales to result in significantly higher customer lifetime value.

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Our Jiobit cohorts illustrate strong retention following the first purchase of the device. Since 2018, there has generally been a higher retention rate with over 65% of subscribers remaining active after the first 12 months and over 50% after two years. We believe these dynamics can be reflected across member cohorts as a broader suite of offerings is made available and particularly as safety features become more prominent in our offering.

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Non-GAAP Financial Measures

Adjusted EBITDA

We collect and analyze operating and financial data to evaluate the health of our business, allocate our resources and assess our performance. In addition to total revenue, net loss and other results under GAAP, we

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utilize non-GAAP calculations of adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"). Adjusted EBITDA is defined as net loss, excluding (i) convertible notes and derivative liability fair value adjustment, (ii) benefit from income taxes, (iii) depreciation and amortization and (iv) other (income)/expense.

The above items are excluded from Adjusted EBITDA because these items are non-cash in nature, or because the amount and timing of these items are unpredictable, are not driven by core results of operations and render comparisons with prior periods and competitors less meaningful. We believe Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our results of operations, as well as providing a useful measure for period-to-period comparisons of our business performance. Moreover, we have included Adjusted EBITDA in this Registration Statement because it is a key measurement used by our management internally to make operating decisions, including those related to operating expenses, evaluate performance, and perform strategic planning and annual budgeting. However, this non-GAAP financial measure is presented for supplemental informational purposes only, should not be considered a substitute for or superior to financial information presented in accordance with GAAP, and may be different from similarly titled non-GAAP financial measures used by other companies. As such, you should consider this non-GAAP financial measure in addition to other financial performance measures presented in accordance with GAAP, including various cash flow metrics, net loss and our other GAAP results.
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The following table presents a reconciliation of net loss, the most directly comparable GAAP measure, to Adjusted EBITDA.

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	Year Ended December 31,		Three Months Ended March 31,	
	2021	2020	2022	2021
	(in thousands)			
EBITDA				
Net loss and Comprehensive Loss	$ (33,557)	$ (16,334)	$(25,222)	$(3,852)
Add (deduct):				
Convertible notes fair value adjustment	511	—	(1,575)	—
Derivative liability fair value adjustment(1)	733	—	(914)	—
Benefit from income taxes	(127)	—	(58)	—
Depreciation and Amortization(2)	876	657	2,201	112
Other (income)/expense, net	178	(317)	546	(4)
EBITDA	$ (31,386)	$ (15,994)	$(25,022)	$(3,744)
Stock-based compensation	11,938	8,091	6,095	2,198
Non-recurring adjustment to reflect deferral of a portion of monthly subscription sales through a channel partner	—	862	—	—
Transaction costs incurred for acquisitions	2,744	—	9,258	—
(Gain)/Loss on revaluation of contingent consideration	3,600	—	(4,000)	—
Adjusted EBITDA	$ (13,104)	$ (7,041)	$(13,669)	$(1,546)

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(1) To reflect the change in value of the derivative liability associated with the July 2021 Convertible Notes (defined below).
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(2) Includes depreciation on fixed assets and amortization of acquired intangible asset.

Key Components of Our Results of Operations

The following discussion describes certain line items in our Consolidated Statements of Operations and Comprehensive Loss.
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The Company currently operates as one reportable and operating segment because its chief operating decision maker ("CODM"), which is its Chief Executive Officer, reviews its financial information on a consolidated basis for purposes of making decisions regarding allocating resources and assessing performance. The Company has no segment managers who are held accountable by the CODM for operations, operating results, and planning for levels of components below the consolidated unit level. In the future, the Company plans to integrate Life360, Tile and Jiobit into one platform.
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Revenue

Subscription Revenue
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We generate revenue from sales of subscriptions on our platforms. Revenue is recognized ratably over the related contractual term generally beginning on the date that our platform is made available to a customer. Our subscription agreements typically have monthly or annual contractual terms. Our agreements are generally non-cancellable during the contract term. We typically bill in advance for monthly and annual contracts. Amounts that have been billed are initially recorded as deferred revenue until the revenue is recognized.

Hardware Revenue

We generate a majority of our revenue from the sale of the Tile and Jiobit hardware tracking devices and related accessories. For hardware and accessories, revenue is recognized at the time products are delivered. We sell hardware tracking devices and accessories through a number of channels including our website, brick and mortar retail and online retail.
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Other Revenue

We also generate revenue through data monetization arrangements with certain third parties through data acquisition and license agreements for data collected from our member base for purposes of targeted advertising, research, analytics, attribution, and other commercial purposes. In January 2022, Life360 began to exit the traditional data sales business and transition to solely sales of aggregated data insights. In order to accomplish this, we executed a new partnership agreement with Placer, a prominent provider of aggregated analytics for the
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retail ecosystem. As part of this partnership, Placer will provide valuable data processing and analytics data to Life360 and will have the right to commercialize aggregated data related to place visits during the term of the agreement, while still providing members the option to opt out of even aggregated data sales. In keeping with our vision and consistent with that aggregated data sales model, we are exploring ways, in the future, to enable members to avail themselves of compelling offers and opportunities by enabling our partners to use their data with members' explicit, affirmative opt-in consent. We have begun terminating existing data sales relationships with certain existing data partners. The Placer agreement includes a minimum revenue guarantee based on the size of the Life360's active member base for the duration of the three-year agreement. Other revenue also includes partnership revenue.
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Cost of Revenue and Gross Margin

Cost of Subscription

Cost of subscription primarily consists of expenses related to hosting our services and providing support. These expenses include employee-related costs associated with our cloud-based infrastructure and our customer support organization, third-party hosting fees, software, and maintenance costs, outside services associated with

the delivery of our subscription services, personnel-related expenses, travel-related costs, amortization of acquired intangibles and allocated overhead, such as facilities, including rent, utilities, depreciation on equipment shared by all departments, credit card and transaction processing fees, and shared information technology costs. Personnel-related expenses include salaries, bonuses, benefits, and stock-based compensation for operations personnel.

We plan to continue increasing the capacity and enhancing the capability and reliability of our infrastructure to support user growth and increased use of our platform. We expect that cost of revenue will increase in absolute dollars in future periods.
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Cost of Hardware Revenue

Cost of hardware revenue consists of product costs, including hardware production, contract manufacturers for production, shipping and handling, packaging, fulfillment, personnel-related expenses, manufacturing and equipment depreciation, warehousing, tariff costs, hosting, app fees, customer support costs, warranty replacement, and write-downs of excess and obsolete inventory. Personnel-related expenses include salaries, bonuses, benefits, and stock-based compensation for operations personnel.
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Cost of Other Revenue

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Cost of other revenue includes cloud-based hosting costs, as well as costs of product operations functions and employee-related costs associated with our data platform. Personnel-related expenses include salaries, bonuses, benefits, and stock-based compensation for operations personnel.
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Gross Profit and Gross Profit Margin

Our gross profit has been, and may in the future be, influenced by several factors, including geographical revenue mix, timing of capital expenditures and related depreciation expense, increases in infrastructure costs, component costs, contract manufacturing and supplier pricing, and foreign currency exchange rates. Gross profit and gross profit margin may fluctuate over time based on the factors described above.

Operating Expenses

Our operating expenses consist of research and development, selling and marketing, and general and administrative expenses.

Research and Development

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Our research and development expenses consist primarily of employee-related costs for our engineering, product, and design teams, material costs of building and developing prototypes for new products, mobile app development and allocated overhead. We believe that continued investment in our platform is important for our growth. We expect our research and development expenses will increase in absolute dollars as our business grows.
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Sales and Marketing

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Our sales and marketing expenses consist primarily of employee-related costs, brand marketing costs, lead generation costs, sales incentives, trade shows and events, sponsorships and amortization of acquired intangibles. Revenue-share payments to third parties in connection with annual subscription sales of the Company’s mobile application on third-party store platforms are considered to be incremental and recoverable costs of obtaining a contract with a customer and are deferred and typically amortized over an estimated period of benefit of two years.
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We plan to continue to invest in sales and marketing to grow our member base and increase our brand awareness, including marketing efforts to continue to drive our business model. We expect that sales and marketing expenses will increase in absolute dollars in future periods and will fluctuate as a percentage of revenue. The trend and timing of sales and marketing expenses will depend in part on the timing of marketing campaigns.

General and Administrative

Our general and administrative expenses consist primarily of employee-related costs for our legal, finance, human resources, and other administrative teams, as well as certain executives. In addition, general and administrative expenses include allocated overhead, outside legal, accounting and other professional fees, change in fair value of contingent consideration for business combinations, and non-income-based taxes. We expect our general and administrative expenses will increase in absolute dollars as our business grows.

Convertible Notes Fair Value Adjustment

Convertible notes fair value adjustment relates to the change in the fair value of the convertible notes issued to investors in July 2021 with an underlying principal amount of $2.1 million (the "July 2021 Convertible Notes").

Derivative Liability Fair Value Adjustment

Derivative liability fair value adjustment relates to the change in the fair value of the embedded conversion and redemption features associated with the July 2021 Convertible Notes.

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Other (Income) Expense, Net

Other (income) expense, net consists of interest income earned on our cash and cash equivalents balances, foreign currency exchange losses/(gains) related to the remeasurement of certain assets and liabilities of our foreign subsidiaries that are denominated in currencies other than the functional currency of the subsidiary and foreign exchange transactions (gains) losses and interest expense primarily related to the Convertible Notes.

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Benefit from Income Taxes

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

Results of Operations

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The following tables set forth our consolidated statement of operations and comprehensive loss for the three months ended March 31, 2022 and 2021 and for the years ended December 31, 2021 and 2020. We have derived this data from our consolidated financial statements included elsewhere in this Registration Statement. This information should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Registration Statement. The results of historical periods are not necessarily indicative of the results of operations for any future period.

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	Year Ended December 31,			Three Months Ended March 31,		
	2021	2020	% Change	2022	2021	% Change
	(in thousands)			(in thousands)		
Revenue						
Subscription revenue	$ 86,551	$ 58,472	48%	$ 33,062	$ 17,132	93%
Hardware revenue	952	—	100%	9,647	—	100%
Other revenue	25,140	22,183	13%	8,261	5,860	41%
Total revenue	112,643	80,655	40%	50,970	22,992	122%

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	Year Ended December 31,			Three Months Ended March 31,		
	2021	2020	% Change	2022	2021	% Change
	(in thousands)			(in thousands)		
Cost of revenue[1]						
Subscription costs	17,807	13,582	31%	7,071	3,734	89%
Hardware costs	1,229	—	100%	7,806	—	100%
Other costs	3,732	1,813	106%	975	755	29%
Total cost of revenue	22,768	15,395	48%	15,852	4,489	253%
Gross profit	89,875	65,260	38%	35,118	18,503	90%
Operating expenses[1]						
Research and development	50,994	39,643	29%	25,737	10,692	141%
Sales and marketing	47,473	30,190	57%	23,242	8,210	183%
General and administrative	23,670	12,078	96%	13,246	3,453	284%
Total operating expenses	122,137	81,911	49%	62,225	22,355	178%
Loss from operations	(32,262)	(16,651)	94%	(27,107)	(3,852)	604%
Convertible notes fair value adjustment	511	—	100%	(1,575)	—	(100)%
Derivative liability fair value adjustment	733	—	100%	(914)	—	(100)%
Other (income) expense, net	178	(317)	(156)%	546	—	100%
Total other (income) expense	1,422	(317)	(549)%	(1,943)	—	(100)%
Loss before benefit from income taxes	(33,684)	(16,334)	106%	(25,164)	(3,852)	553%
Benefit (expense) from income taxes	127	—	100%	(58)	—	(100)%
Net loss and Comprehensive Loss	$ (33,557)	$ (16,334)	105%	$ (25,222)	$ (3,852)	555%

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(1) Includes stock-based compensation as follows:

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	Year Ended December 31,			Three Months Ended March 31,		
	2021	2020	% Change	2022	2021	% Change
				(in thousands)		
Cost of revenue						
Subscription costs	$ 444	$ 340	31%	$ 152	$ 102	49%
Hardware costs	13	—	100%	17	—	100%
Other costs	65	31	152%	53	16	231%
Research and development	7,457	5,504	35%	3,591	1,448	148%
Sales and marketing	752	424	77%	843	114	639%
General and administrative	3,207	1,792	79%	1,439	519	177%
Total stock-based compensation expense	$ 11,938	$ 8,091	48%	$ 6,095	$ 2,199	177%

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

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	Year Ended December 31,		Three Months Ended March 31,	
	2021	2020	2022	2021
Revenue				
Subscription revenue	77%	72%	65%	75%
Hardware revenue	1%	— %	19%	— %
Other revenue	22%	28%	16%	25%
Total revenue	100%	100%	100%	100%
Cost of revenue				
Subscription costs	16%	17%	14%	16%
Hardware costs	1%	— %	15%	— %
Other costs	3%	2%	2%	3%
Total cost of revenue	20%	19%	31%	20%
Gross profit	80%	81%	69%	80%
Operating expenses				
Research and development	45%	49%	50%	47%
Sales and marketing	42%	37%	46%	36%
General and administrative	21%	15%	26%	15%
Total operating expenses	108%	102%	122%	97%
Loss from operations	(29)%	(21)%	(53)%	(17)%
Convertible notes fair value adjustment	— %	— %	(3)%	— %
Derivative liability fair value adjustment	1%	— %	(2)%	— %
Other (income) expense, net	— %	(1)%	1%	— %
Total other (income) expense	1%	(1)%	(4)%	— %
Loss before benefit from income taxes	(30)%	(20)%	(49)%	(17)%
Benefit from income taxes	— %	— %	— %	— %
Net loss and Comprehensive Loss	(30)%	(20)%	(49)%	(17)%

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Comparison of the Three Months ended March 31, 2022 and 2021

Revenue

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	Three Months Ended March 31,		Change	
	2022	2021	$	%
	(in thousands, unaudited)			
Subscription revenue	$ 33,062	$ 17,132	$15,930	93%
Hardware revenue	9,647	—	9,647	100%
Other revenue	8,261	5,860	2,401	41%
Total revenue	$ 50,970	$ 22,992	$27,978	122%

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Total revenue increased $28.0 million, or 122%, during the year three months ended March 31, 2022, as compared to the three months ended March 31, 2021.

Subscription revenue increased $15.9 million, or 93%, during the three months ended March 31, 2022, as compared to the three months ended March 31, 2021 primarily due to growth in Paying Circles and ARPPC as we continue to invest in a variety of customer programs and initiatives, which, along with expanded customer use cases, have helped increase our subscription revenue over time. In addition, the increase was also attributable to the inclusion of Tile and Jiobit subscription services of $5.2 million.

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Hardware revenue increased $9.6 million, or 100%, during the three months ended March 31, 2022, as compared to the three months ended March 31, 2021 due to the inclusion of hardware sales of approximately $9.0 million related to Tile hardware devices, and hardware sales of $0.6 million related to Jiobit hardware devices.

Other revenue increased $2.4 million, or 41%, during the three months ended March 31, 2022, as compared to the three months ended March 31, 2021, due to increased volume as a result of continued demand for data products.

Cost of Revenue, Gross Profit, and Gross Margin
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	Three Months Ended March 31,		Change	
	2022	2021	$	%
	(in thousands, unaudited)			
Subscription costs	$ 7,071	$ 3,734	$ 3,337	89%
Hardware costs	7,806	—	7,806	100%
Other costs	975	755	220	29%
Total cost of revenue	$ 15,852	$ 4,489	$11,363	253%
Gross profit	$ 35,118	$ 18,503	$16,615	90%
Gross margin:				
Subscription	79%	78%		
Hardware	19%	— %		
Other	88%	87%		

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Cost of subscription revenue increased by $3.3 million, or 89%, during the three months ended March 31, 2022, as compared to the three months ended March 31, 2021, primarily due to $2.1 million in technology expenses due to higher costs related to cloud infrastructure associated with the Tile and Jiobit acquisitions, an increase of $0.6 million in subscription offerings due to an increase in direct costs related to new product offerings, and an increase of $0.4 million in personnel and related costs and stock-based compensation due to increased headcount.

Subscription margin increased to 79% during the three months ended March 31, 2022 from 78% during the three months ended March 31, 2021, primarily due to an increased volume of higher margin offerings.

Cost of hardware revenue increased by $7.8 million, or 100%, during the three months ended March 31, 2022, as compared to the three months ended March 31, 2021, primarily due to the inclusion of hardware costs of approximately $6.1 million related to Tile and approximately $1.0 million related to Jiobit hardware costs, and an additional $0.9 million in amortization recognized on acquired technology related intangible assets acquired as part of the Tile and Jiobit acquisitions.

Hardware margin was 19% during the three months ended March 31, 2022 which was negatively impacted by the inclusion of the amortization expense recognized on acquired technology related to intangible assets.

Other cost of revenue increased by $0.2 million, or 29%, during the three months ended March 31, 2022, as compared to the three months ended March 31, 2021, primarily due to an increase of $0.2 million in technology expenses due to higher costs related to cloud infrastructure.

Other margin increased to 88% during the three months ended March 31, 2022 from 87% during the three months ended March 31, 2021, primarily due to infrastructure optimization.
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Research and Development

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	Three Months Ended March 31,		Change	
	2022	2021	$	%
	(in thousands, unaudited)			
Research and development	$ 25,737	$ 10,692	$15,045	141%

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Research and development expenses increased $15.0 million, or 141%, during the three months ended March 31, 2022, as compared to the three months ended March 31, 2021. The increase was primarily due to an increase of $10.2 million in personnel-related costs and stock based compensation due to headcount growth attributable to the Tile and Jiobit acquisitions, an increase of $2.4 million in professional and outside services due to higher contractor spend as a result of increased scaling of the combined business, an increase of $1.4 million in technology expenses due to higher costs primarily related to cloud and data server infrastructure for the combined company, and a $0.8 million increase in facilities and technology expenses to support headcount growth of the combined company.

Sales and Marketing

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	Three Months Ended March 31,		Change	
	2022	2021	$	%
	(in thousands, unaudited)			
Sales and marketing	$ 23,242	$ 8,210	$15,032	183%

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Sales and marketing expenses increased $15.0 million, or 183%, during the three months ended March 31, 2022, as compared to the three months ended March 31, 2021. This increase was primarily due to an increase of $9.8 million related to an increase in overall marketing spend for Life360, Tile and Jiobit, investment in new user acquisition channels, promotional initiatives as the Company returned to marketing spend after pausing when the COVID-19 pandemic began, and launching new brand marketing campaigns. The increase was also related to an increase of $3.0 million in personnel and related costs and stock-based compensation due to increased headcount, an increase of $1.0 million in depreciation and amortization related to the amortization of intangible assets acquired from the Tile and Jiobit acquisitions, an increase of $0.6 million due to higher contractor spend as a result of increased scaling of the business and acquisitions, and a $0.3 million increase in technology expenses due to higher costs to support headcount growth.

General and Administrative

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	Three Months Ended March 31,		Change	
	2022	2021	$	%
	(in thousands, unaudited)			
General and administrative	$ 13,267	$ 3,453	$9,814	284%

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General and administrative expense increased $9.8 million, or 284%, during the three months ended March 31, 2022, as compared to the three months ended March 31, 2021. As a result of our continued investment in headcount and recent acquisitions, personnel and related costs and stock-based compensation increased by $5.7 million. In addition, professional and outside services increased by $7.2 million primarily due to Tile Acquisition costs of approximately $5 million and increased expenses related to accounting, legal and advisors due to the Company's Form 10 filing in April 2022. These increases were offset by a reduction in the fair value of contingent consideration related to Jiobit of approximately $4.0 million as it was determined a portion of the contingent consideration metrics would not be met.

Convertible Notes Fair Value Adjustment

The Company issued convertible notes to investors in July 2021, and as part of the purchase consideration related to the Jiobit Acquisition in September 2021 (the "September 2021 Convertible Notes" and together with

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the July 2021 Convertible Notes, the "Convertible Notes"). The September 2021 Convertible Notes are recorded at fair value and are revalued at each reporting period. The convertible notes fair value adjustment decreased $1.6 million or 100% during the three months ended March 31, 2022, as compared to the three months ended March 31, 2021, and was due to the decrease in the fair value of convertible notes.

Derivative Liability Fair Value Adjustment

The derivative liability fair value decreased $0.9 million or 100% during the three months ended March 31, 2022, as compared to the three months ended March 31, 2021 due to the revaluation of the derivative liability at each reporting period related to embedded redemption features bifurcated from the July 2021 Convertible Notes issued to investors.

Other (Income) Expense, Net

Other expense increased $0.5 million or 100% during the three months ended March 31, 2022, as compared to the three months ended March 31, 2021, and included income earned on cash and cash equivalent balances offset by an increase in interest expense associated with the Convertible Notes and an increase in foreign exchange losses.

Benefit from Income Taxes

Benefit from income taxes decreased $0.1 million, or 100%, during the three months ended March 31, 2022, as compared to the three months ended March 31, 2021 due primarily to the tax effects related to the Tile Acquisition.
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Comparison of the Years ended December 31, 2021 and 2020

Revenue

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	Year Ended December 31,		Change	
	2021	2020	$	%
	(in thousands)			
Revenue				
Subscription revenue	$ 86,551	$ 58,472	$28,079	48%
Hardware revenue	952	—	952	100%
Other revenue	25,140	22,183	2,957	13%
Total revenue	$ 112,643	$ 80,655	$31,988	40%

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Total revenue increased $32.0 million, or 40%, during the year ended December 31, 2021, as compared to the year ended December 31, 2020.

Subscription revenue increased $28.1 million, or 48%, during the year ended December 31, 2021, as compared to the year ended December 31, 2020 primarily due to growth in Paying Circles and ARPPC. During the year ended December 31, 2021, we took the first step in the international rollout of our subscription model with the launch of the complete membership experience in Canada. We continue to invest in a variety of customer programs and initiatives, which, along with expanded customer use cases, have helped increase our subscription revenue over time.

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Hardware revenue increased approximately $1.0 million, or 100%, during the year ended December 31, 2021, as compared to the year ended December 31, 2020, and was due to the sale of Jiobit hardware devices.

Other revenue increased $3.0 million, or 13%, during the year ended December 31, 2021, as compared to the year ended December 31, 2020, due to increased volume as a result of continued demand for data products.
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Cost of Revenue, Gross Profit, and Gross Margin

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	Year Ended December 31,		Change	
	2021(1)	2020	$	%
	(in thousands)			
Cost of revenue				
Subscription costs	$17,807	$13,582	$ 4,225	31%
Hardware costs	1,220	—	1,220	100%
Other costs	3,741	1,813	1,928	106%
Total cost of revenue	$22,768	$15,395	$ 7,373	48%
Gross profit	$89,875	$65,260	$24,615	38%
Gross margin:				
Subscription	79%	77%		
Hardware	(28)%	—		
Other	85%	92%		

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(1) The following table has changed the format of the Statements of Operation in the audited consolidated financial statements for the year ended December 31, 2021 to include Hardware costs in cost of revenue to conform to new presentation for condensed unaudited consolidated financial statements for the three months ended March 31, 2022. Such change in presentation has no impact to the Company's financial position, operating cash flows, net loss or net loss per share attributable to common stockholders.

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Cost of subscription revenue increased by $4.2 million, or 31%, during the year ended December 31, 2021, as compared to the year ended December 31, 2020, primarily due to an increase of $2.5 million in technology expenses due to higher costs related to cloud infrastructure, and an increase of $1.7 million in subscription offerings due to an increase in direct costs related to new product offerings.

Subscription margin increased to 79% during the year ended December 31, 2021 from 77% during the year ended December 31, 2020, primarily due to an increased volume of higher margin offerings.

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Hardware costs increased by $1.2 million, or 100%, during the year ended December 31, 2021, as compared to the year ended December 31, 2020, related to the sales of Jiobit hardware devices, resulting from the Jiobit Acquisition which closed during the third quarter of 2021 of $1.1 million, and an increase of $0.1 million in depreciation and amortization expense, primarily due to the amortization of acquired intangibles.

Hardware margin decreased 28% during the year ended December 31, 2021, as compared to the year ended December 31, 2020 primarily due to supply chain issues which resulted in increased hardware costs and the amortization expense related to acquired intangible assets.

Other cost of revenue increased by $1.9 million, or 106%, during the year ended December 31, 2021, as compared to the year ended December 31, 2020, primarily due to an increase of $1.7 million in technology expenses due to higher costs related to cloud infrastructure.

Other margin decreased to 85% during the year ended December 31, 2021 from 92% during the year ended December 31, 2020, primarily due to higher costs related to infrastructure in proportion to revenue growth.

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Research and Development

	Year Ended December 31,		Change	
	2021	2020	$	%
	(in thousands)			
Research and development	$50,994	$39,643	$11,351	29%

Research and development expenses increased $11.4 million, or 29%, during the year ended December 31, 2021, as compared to the year ended December 31, 2020 as we continued to invest in the development of new and existing offerings. Personnel and related costs and stock-based compensation each increased by $7.8 million due to headcount growth. Professional and outside services increased by $3.7 million due to higher contractor spend as a result of increased scaling of the business.

Sales and Marketing

	Year Ended December 31,		Change	
	2021	2020	$	%
	(in thousands)			
Sales and marketing	$47,473	$30,190	$17,283	57%

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Sales and marketing expenses increased $17.3 million, or 57%, during the year ended December 31, 2021, as compared to the year ended December 31, 2020. This increase was primarily due to an increase of $15.2 million related to an increase in overall marketing spend, investment in new user acquisition channels, promotional initiatives as the Company returned to marketing spend after pausing when the COVID-19 pandemic began, and launching new brand marketing campaigns. The increase was also related to an increase of $0.8 million in personnel and related costs and stock-based compensation due to increased headcount, and an increase of $1.0 million in other sales and marketing expenses including professional and outside services and technology expenses.

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General and Administrative

	Year Ended December 31,		Change	
	2021	2020	$	%
	(in thousands)			
General and administrative	$23,670	$12,078	$11,592	96%

General and administrative expense increased $11.6 million, or 96%, during the year ended December 31, 2021, as compared to the year ended December 31, 2020. As a result of our continued investment in headcount, personnel and related costs and stock-based compensation increased by $4.1 million. The Company incurred incremental expenses of $3.6 million due to an increase in the fair value of contingent consideration issued in connection with the Jiobit Acquisition. Professional and outside services increased by $3.2 million due to increased legal spend related to the Jiobit Acquisition and the Tile Acquisition. The increase also relates to $0.6 million in other general and administrative expenses, including facilities and insurance expenses.

Convertible Notes Fair Value Adjustment

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Convertible notes fair value adjustment increased by $0.5 million during the year ended December 31, 2021, as compared to the year ended December 31, 2020, due to the issuance of the September 2021 Convertible Notes. The September 2021 Convertible Notes are recorded at fair value and are revalued at each reporting period. The incremental expense is due to the increase in the fair value of the September 2021 Convertible Notes.

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Derivative Liability Fair Value Adjustment

Derivative liability fair value adjustment increased by $0.7 million during the year ended December 31, 2021, as compared to the year ended December 31, 2020, due to the embedded redemption features bifurcated from the July 2021 Convertible Notes issued to investors. The derivative liability is recorded at fair value and is revalued at each reporting period. The incremental expense is due to the increase in the fair value of the derivative liability.

Other Income (Expense), Net

Other expense was $0.2 million in 2021, representing a $0.5 million decrease from 2020. This decrease was primarily due to a decrease in interest income earned on cash and cash equivalent balances offset by an increase in interest expense primarily due to accretion of the debt discount associated with the Convertible Notes.

Benefit from Income Taxes

Benefit from income taxes increased $0.1 million, or 100%, during the year ended December 31, 2021, as compared to the year ended December 31, 2020 due primarily to the tax effects related to the Jiobit Acquisition.

Liquidity and Capital Resources

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Since our inception, we have financed our operations primarily through equity issuances and cash generated from operations. Since 2011, we have raised a total of $401.5 million in capital financings, less issuance costs of $18.3 million. As of March 31, 2022, our principal sources of liquidity were cash and cash equivalents totaling $82.7 million. In May 2019, in connection with our initial public offering on the ASX, we received net proceeds of $75.5 million, after deducting issuance costs of $5.1 million. Upon completion of our initial public offering on the ASX, interests in a total of 38.2 million shares were issued, equivalent to 114.6 million CDIs.

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The July 2021 Convertible Notes accrue simple interest at an annual rate of 4% and mature on July 1, 2026. The July 2021 Convertible Notes may be settled under the following scenarios at the option of the holder of the 2021 Notes: (i) into shares of our common stock equal to the conversion amount of outstanding principal and any accrued but unpaid interest divided by the conversion price of $11.96; (ii) at the option of the holder upon a liquidation event (a) paid in cash equal to the outstanding principal and any accrued but unpaid interest or (b) into common shares equal to the conversion amount of outstanding principal and any accrued but unpaid interest divided by the conversion price of $11.96; or (iii) upon maturity of the July 2021 Convertible Notes, settlement in cash at the outstanding accrued interest and principal amount.

In September 2021, we issued the September 2021 Convertible Notes for an aggregate principal amount of $11.6 million in connection with the Jiobit Acquisition. The September 2021 Convertible Notes bear interest at the U.S. Prime rate plus 25 basis points. The September 2021 Convertible Notes can be converted to shares of our common stock at any time subsequent to the acquisition at a fixed conversion price of $22.50 per share. On each of the first three annual anniversaries of the issuance date of the September 2021 Convertible Notes, the Company will repay one-third of the unconverted principal plus accrued interest to the holders of such notes. Upon a change of control, the holder may elect to either convert at the fixed conversion price of $22.50 per share or be repaid in full.

In December 2021, we closed the 2021 Private Placement of 7,779,014 shares of our common stock (equivalent to 23,337,042 CDIs). The price of the shares sold in the 2021 Private Placement was A$36.00 per share (A$12.00 per CDI). The total gross proceeds from the 2021 Private Placement to the Company were $198.7 million. After deducting underwriting discounts and commissions and offering expenses payable by the Company, the aggregate net proceeds received by the Company totaled approximately $193.1 million.

We believe that our existing cash and cash equivalents and cash provided by sales of our subscriptions will be sufficient to support working capital and capital expenditure requirements for at least the next 12 months. Our future capital requirements will depend on many factors and as a result, we may be required to seek additional capital. If we are unable to raise additional capital on terms acceptable to us or at all or generate cash flows necessary to expand our operations and invest in continued innovation, we may not be able to compete successfully, which would harm our business, financial condition and results of operations.

A number of our users pay in advance for annual subscriptions while a majority pay in advance for monthly subscriptions. Deferred revenue consists of the unearned portion of customer billings, which is recognized as

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revenue in accordance with our revenue recognition policy. As of March 31, 2022 and 2021, we had deferred revenue of $31.1 million and $12.3 million, respectively. As of December 31, 2021 and 2020, we had deferred revenue of $13.9 million and $11.9 million, respectively, which is expected to be recorded as revenue in the next 12 months, respectively, provided all other revenue recognition criteria have been met.
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Our cash flow activities were as follows for the periods presented:

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	Year Ended December 31,		Three Months Ended March 31,	
	2021	2020	2022	2021
	(in thousands)		*(in thousands, unaudited)*	
Net cash used in operating activities	$ (12,153)	$(7,250)	$ (21,696)	$ (2,992)
Net cash (used in) provided by investing activities	(7,064)	(653)	(112,306)	—
Net cash provided by financing activities	193,951	445	873	(88)
Net (decrease) increase in cash and cash equivalents	$174,734	$(7,458)	$ (133,129)	$ (3,080)

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Operating Activities

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Our largest source of operating cash is cash collections from our paying users for subscriptions to our platform. Our primary uses of cash from operating activities are for employee-related expenditures, inventory, infrastructure-related costs, and marketing expenses. Net cash used in operating activities is impacted by our net loss adjusted for certain non-cash items, including depreciation and amortization expenses, amortization of costs capitalized to obtain a contract, and stock-based compensation, as well as the effect of changes in operating assets and liabilities.

For the three months ended March 31, 2022, net cash used in operating activities was $21.7 million. The primary factors affecting our operating cash flows during this period were our net loss of $25.2 million, impacted by $2.2 million non-cash charges, and $1.3 million of cash used by changes in our operating assets and liabilities. The non-cash charges primarily consisted of $6.1 million in stock-based compensation, $1.6 million gain in convertible notes fair value adjustment, $4.0 million in gain on revaluation of contingent consideration, and $2.2 million of depreciation and amortization. The cash used by changes in our operating assets and liabilities was primarily due to a $17.2 million decrease in accounts receivable and a $2.8 million increase in deferred revenue. These amounts were partially offset by a $14.7 million decrease in accounts payable, a $2.6 million increase in other noncurrent assets, and a $1.7 million decrease in accrued expenses.

For the three months ended March 31, 2021, net cash used in operating activities was $3.0 million. The primary factors affecting our operating cash flows during this period were our net loss of $3.9 million, impacted by $2.3 million non-cash charges and $1.4 million of cash used by changes in our operating assets and liabilities. The non-cash charges primarily consisted of $2.2 million in stock-based compensation and $0.1 million in amortization of costs capitalized to obtain contracts. The cash used by changes in our operating assets and liabilities was primarily due to a $2.9 million decrease in prepaid expenses and other current assets. These amounts were partially offset by a $0.4 million increase in costs capitalized to obtain revenue contracts, net, a $0.6 million decrease in accounts payable, and a $0.5 million increase in other noncurrent assets.
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For the year ended December 31, 2021, net cash used in operating activities was $12.2 million. The primary factors affecting our operating cash flows during this period were our net loss of $33.6 million, impacted by $21.8 million non-cash charges, and $0.4 million of cash used by changes in our operating assets and liabilities. The non-cash charges primarily consisted of $11.9 million in stock-based compensation, $4.0 million in amortization of costs capitalized to obtain contracts, $3.6 million in loss on revaluation of contingent consideration, and $0.9 million of depreciation and amortization. The cash used by changes in our operating assets and liabilities was primarily due to a $2.7 million increase in accounts receivable, a $1.7 million increase in costs capitalized to obtain contracts, a $0.9 million increase in inventories, and a $1.2 million decrease in noncurrent liabilities. These amounts were partially offset by a $4.7 million increase in accrued expenses and a $1.7 million increase in deferred revenue.

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For the year ended December 31, 2020, net cash used in operating activities was $7.3 million. The primary factors affecting our operating cash flows during this period were our net loss of $16.3 million, impacted by $15.7 million non-cash charges, and $6.7 million of cash used by changes in our operating assets and liabilities. The non-cash charges primarily consisted of $8.1 million in stock-based compensation, $0.7 million of depreciation and amortization, and $7.0 million in amortization of costs capitalized to obtain contracts. The cash used by changes in our operating assets and liabilities was primarily due to a $5.2 million increase in costs capitalized to obtain contracts, $4.7 million increase in prepaid expenses and other current assets, and a $1.1 million increase in accounts receivable. These amounts were partially offset by a $2.5 million decrease in other noncurrent assets and a $1.9 million increase in accounts payable.
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Investing Activities

Net cash used in investing activities is primarily impacted by purchases of infrastructure equipment.

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For the three months ended March 31, 2022, net cash used in investing activities was $112.3 million, which related to cash paid for the Tile Acquisition, net of cash acquired.

For the three months ended March 31, 2021, there were no cash flows from investing activities.
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For the year ended December 31, 2021, net cash used in investing activities was $7.1 million, which primarily related to $4.0 million in cash advanced on a convertible note receivable, and $3.0 million in cash paid, net of cash acquired, associated with the Jiobit Acquisition.

For the year ended December 31, 2020, net cash used in investing activities was $0.7 million, which related to cash paid for capital expenditures during the period.

Financing Activities

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For the three months ended March 31, 2022, net cash provided by financing activities was $0.9 million, which primarily related to $0.8 million in proceeds from the exercise of stock options net of taxes paid related to net settlement of equity awards.

For the three months ended March 31, 2021, net cash used in financing activities was $0.1 million, which related to proceeds from the exercise of stock options net of taxes paid related to net settlement of equity awards.
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For the year ended December 31, 2021, net cash provided by financing activities was $194 million, which primarily related to $193.1 million in net proceeds from capital, and $2.1 million in proceeds from the issuance of Convertible Notes. Cash provided by financing activities was reduced by cash used in the net settlement of the exercise of equity awards of $1.2 million.

For the year ended December 31, 2020, net cash provided by financing activities was $0.4 million, which primarily related to $0.4 million in proceeds from the exercise of stock options net of taxes paid related to net settlement of equity awards.
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Debt Obligations

Paycheck Protection Program

The Company determined that the original eligibility requirements per the guidelines originally established by the U.S. federal government as part of the CARES Act for the Paycheck Protection Program ("PPP") were met. As such, in April 2020, the Company received $3.1 million in loans from the PPP. Because the U.S. government subsequently changed its position and guidelines related to the PPP and publicly traded companies, the Company repaid the loans in May 2020.

Obligations and Other Commitments

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Our principal commitments consist of obligations under our convertible notes, operating leases for office space, and other purchase commitments. Our obligations under our convertible notes are described in the "Liquidity and Capital Resources" section and in Notes 7 and 10 to our consolidated financial statements and Notes 6 and 9 to our interim financial statements. Information regarding our non-cancellable lease and other purchase commitments as of December 31, 2021, can be found in Notes 9 and 12 to our consolidated financial statements and as of March 31, 2022, can be found in Notes 8 and 11 to our interim financial statements.

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Qualitative and Quantitative Disclosures about Market Risk

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates and foreign currency exchange rates.

Interest Rate Risk

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As of March 31, 2022 and December 31, 2021, we had $98.2 million and $231 million of cash equivalents invested in cash and cash equivalents and money market funds, respectively. Our cash and cash equivalents are held for working capital purposes.

As of March 31, 2022 and December 31, 2021, a hypothetical 10% relative change in interest rates would not have a material impact on our consolidated financial statements.

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Foreign Currency Exchange Risk

Our reporting currency and functional currency is the U.S. dollar. All of our sales are denominated in U.S. dollars, and therefore our revenue is not currently subject to significant foreign currency risk. Our operating expenses are denominated in the currencies of the countries in which our operations are located, which is primarily in the United States. Our consolidated results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign exchange rates. To date, we have not entered into any hedging arrangements with respect to foreign currency risk or other derivative financial instruments, although we may choose to do so in the future. We do not believe that a hypothetical 1,000 basis-point increase or decrease in the relative value of the U.S. dollar to other currencies would have a material effect on our operating results.

Inflation Risk

We do not believe that inflation has had a material effect on our business, results of operations, or financial condition. Nonetheless, if our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs. Our inability or failure to do so could harm our business, results of operations, or financial condition.

Fair Value Risk

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As of March 31, 2022 and December 31, 2021, we had $16.8 million and $23.2 million of liabilities that are measured at fair value, respectively. Fair value measurements includes significant assumptions that are driven by market conditions and macroeconomic factors at measurement dates. Our consolidated results of operations are therefore subject to market fluctuations and may be affected in the future as a result of these fair value changes.

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Critical Accounting Policies and Significant Management Estimates

We prepare our consolidated financial statements in accordance with GAAP. The preparation of consolidated financial statements also requires us to make estimates and assumptions that affect the reported amounts of assets,

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liabilities, revenues, costs and expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from the estimates made by our management. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates. Critical accounting policies and estimates are those that we consider the most important to the portrayal of our financial condition and results of operations because they require our most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The critical accounting estimates, assumptions, and judgments that we believe to have the most significant impact on our consolidated financial statements are described below. This discussion is provided to supplement the descriptions of our accounting policies contained in Note 2, "Summary of Significant Accounting Policies" to our consolidated financial statements and to our interim financial statements included elsewhere in this Registration Statement.
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Revenue Recognition

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We derive revenue from subscription fees (which include support fees), the sale of Tile and Jiobit hardware devices, and other data revenue. We sell subscriptions to our platform through arrangements that are generally monthly to annual in length. Our arrangements are generally non-cancellable and non-refundable. Our subscription arrangements do not provide customers with the right to take possession of the software supporting the platform and, as a result, are accounted for as service arrangements.
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We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, we satisfy a performance obligation.

Subscription Revenue

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Subscription revenue, which includes support, is recognized on a straight-line basis over the non-cancellable contractual term of the arrangement, generally beginning on the date that our service is made available to the customer. We also generate revenue from the Tile Premium Subscription. We consider delivery of services to have occurred as control is transferred.

Hardware Revenue

We derive a majority of our revenue from sales of Tile and Jiobit hardware devices. We consider delivery of our products to have occurred once control has transferred and delivery of services to have occurred as control is transferred. We recognize revenue, net of estimated sales returns, sales incentives, discounts, and sales tax.

Other Revenue

The majority of the Company's traditional data partner contracts have been terminated and as discussed herein, the Company is in the process of winding down the traditional data brokerage business and moving toward an aggregated data sales model. In the meantime, other revenue includes agreements with third parties to provide access to and use of Life360 data as well as advertising on the Company's mobile platform. The
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Company estimates and includes variable consideration in the transaction price at contract inception to the extent it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. In estimating variable consideration in data arrangements, the Company considers historical experience and other external factors that may impact the expectation of future data usage. Access to the Company's data represents a series of distinct services as the Company continually provides access to the data, fulfills its obligation to the customer over the non-cancelable contractual term, and the customer receives and consumes the benefit of the data throughout the contract period. The series of distinct services represents a single performance obligation that is satisfied over time.

Arrangements with Multiple Performance Obligations

Our sales arrangements typically contain multiple performance obligations, consisting of the hardware sale, application usage, hardware support, and in some cases, the subscriptions. For arrangements with multiplate performance obligations where the contracted price differs from the standalone selling price (the "SSP") for any distinct good or service, we may be required to allocate the transaction price to each performance obligation using our best estimates for the SSP. Our process for determining the SSP considers multiple factors including consumer behaviors, our internal pricing model, and cost-plus margin, and may vary depending upon the facts and circumstances related to each deliverable. For business-to-business hardware sales, we will estimate the expected consideration amount after credits and discounts.

Amounts allocated to the delivered hardware devices are recognized at the time of delivery, provided the other conditions for revenue recognition have been met, with a portion of the consideration being allocated to application usage (maintenance) and support. Amounts allocated to subscriptions are deferred and recognized ratably over the subscription term.

Sales Incentives

We offer sales incentives through various programs, consisting primarily of cooperative advertising and pricing promotions to retailers and distributors. We record advertising with customers as a reduction to revenue unless we receive a distinct benefit in exchange for credits claimed by the customer and can reasonably estimate the fair value of the distinct benefit received, in which case we record it as a marketing expense. We recognize a liability and reduce revenue for rebates or other incentives based on the estimated amount of rebates or credits that will be claimed by customers.

Product Warranty

We offer a standard product warranty that our products will operate under normal use for a period of one year from the date of original purchase. We also offer extended warranties generally for a period of three years for devices with replaceable batteries. We will either repair or replace the defective product. At the time revenue is recognized, an estimate of future warranty costs is recorded as a component of cost of revenues. Factors that affect the warranty obligation include product failure rates, service delivery costs incurred in correcting the product failures, and warranty policies. Our products are manufactured by contractor manufacturers, and in certain cases, we may have recourse to such contract manufacturers.

Inventory Valuation

Inventories consist of finished goods which are purchased from contract manufacturers. Inventories are stated at the lower of cost or net realizable value, with costs being computed on a weighted average basis. We assess the valuation of inventory and periodically write down the value for estimated excess and obsolete inventory based upon estimates of future demand and market conditions.
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Costs Capitalized to Obtain Contracts

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Revenue-share payments to third parties in connection with initial annual subscription sales of the Company's mobile application on third-party store platforms, are considered to be incremental and recoverable costs of obtaining a contract with a customer. These costs are recognized and amortized over two years. The Company determines the period of benefit by taking into consideration the average customer life based on past experience with customers, historical data, and other available information.

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Stock-Based Compensation Expense

The Company has an equity incentive plan under which various types of equity-based awards including, but not limited to, incentive stock options, non-qualified stock options, and RSUs may be granted to employees, non-employee directors, and non-employee consultants. Compensation expense is measured and recognized in the consolidated financial statements based on fair value. The fair value of each option award is estimated on the grant date using the Black-Scholes option pricing model. The fair value of stock options that are expected to vest is recognized as compensation expense on a straight-line basis over the requisite service period. The fair value of RSUs is based on the fair value of the common stock on the date of grant. The stock-based compensation expense is based on awards ultimately expected to vest. Forfeitures are recorded as they occur.

Our use of the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the fair value of the underlying shares of our common stock, the expected term of the option, the expected volatility of the price of our common stock, risk-free interest rates and the expected dividend yield of our common stock. The assumptions used to determine the fair value of the awards represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment.

These assumptions and estimates are as follows:

- ***Fair Value of Common Stock.*** Since the listing of our CDIs on the ASX, the fair value of common stock is based on the closing price of our CDIs on the ASX as reported in Australian dollars, adjusted to reflect the CDI/per share of common stock ratio in effect, and translated to U.S. dollars based on the date of grant of our common stock.
- ***Expected Term.*** The expected term for employees is based on the simplified method, as the Company's stock options have the following characteristics: (i) granted at-the-money; (ii) exercisability is conditioned upon service through the vesting date; (iii) termination of service prior to vesting results in forfeiture; (iv) limited exercise period following termination of service; and (v) options are non-transferable and non-hedgeable, or "plain vanilla" options, and the Company has limited history of exercise data. The expected term for non-employees is based on the remaining contractual term.
- ***Expected Volatility.*** Since we have limited trading history of CDIs, interests in our common stock, the expected volatility is determined based on the historical stock volatilities of our comparable companies, and the Company's trading data since listing on the ASX. Comparable companies consist of public companies in our industry, which are similar in size, stage of life cycle and financial leverage. The Company will continue to analyze the historical stock price volatility and expected term assumptions as more historical data for the Company's common stock becomes available.

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- ***Risk-Free Interest Rate.*** We base the risk-free interest rate on the implied yield available on U.S. Treasury zero-coupon issues with a remaining term equivalent to that of the options for each expected term.

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- ***Dividend Yield.*** The expected dividend assumption is based on our current expectations about our anticipated dividend policy. As we have no history of paying any dividends and have no plans to pay dividends in the foreseeable future, we used an expected dividend yield of zero.

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

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	Year Ended December 31,		Three Months Ended March 31,	
	2021	2020	2022	2021
Expected term (in years)	4.24	5.68	4.03	4.24
Expected stock price volatility	49%	43%	63%	49%
Risk-free interest rate	0.68%	0.60%	1.91%	0.68%
Dividend yield	0%	0%	0%	0%

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We will continue to use judgment in evaluating the expected volatility and expected term utilized in our share-based compensation expense calculations on a prospective basis.

Common Stock Valuations

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After completion of the listing of our CDIs on the ASX, our Board determines the fair value of each underlying share of our common stock based on the closing price of our CDIs as reported on the date of grant.

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Income Taxes

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We account for income taxes under the asset and liability method. We estimate actual current tax exposure together with assessing temporary differences resulting from differences in accounting for reporting purposes and tax purposes for certain items, such as accruals and allowances not currently deductible for tax purposes. These temporary differences result in deferred tax assets and liabilities, which are included in our balance sheet. In general, deferred tax assets represent future tax benefits to be received when certain expenses previously recognized in our statements of operations and comprehensive loss become deductible expenses under applicable income tax laws or when net operating loss or credit carryforwards are utilized. Accordingly, realization of our deferred tax assets is dependent on future taxable income against which these deductions, losses and credits can be utilized.

We must assess the likelihood that our deferred tax assets will be recovered from future taxable income, and to the extent we believe that recovery is not likely, we establish a valuation allowance. The assessment of whether or not a valuation allowance is required often requires significant judgment including current and historical operating results, the forecast of future taxable income and on-going prudent and feasible tax planning initiatives. Should the actual amounts differ from estimates, the amount of valuation allowance could be materially impacted. Any adjustment to the deferred tax asset valuation allowance would be recorded in the consolidated statement of operations for the periods in which the adjustment is determined to be required.

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Recent Accounting Pronouncements

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See Note 2, “Summary of Significant Accounting Policies” to our consolidated financial statements and to our interim financial statements included elsewhere in this Registration Statement for recently adopted accounting pronouncements.

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JOBS Act Accounting Election

We are an emerging growth company, as defined in the JOBS Act. Section 107 of the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have elected to use the extended transition period under the JOBS Act until the earlier of the date we (i) are no longer an emerging

growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of reporting company effective dates.

Tile Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion of Tile's financial condition and results of operations together with Tile's audited consolidated financial statements and notes to such financial statements included elsewhere in this Registration Statement.

The following discussion contains forward-looking statements that involve risks and uncertainties regarding, among other things, (a) our projected sales, profitability, and cash flows, (b) our growth strategy, (c) anticipated trends in our industry, (d) our future financing plans, and (e) our anticipated needs for, and use of, working capital. They are generally identifiable by use of the words "may," "will," "should," "anticipate," "estimate," "plan," "potential," "project," "continuing," "ongoing," "expects," "management believes," "we believe," "we intend," or the negative of these words or other variations on these words or comparable terminology. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this filing will in fact occur. You should not place undue reliance on these forward-looking statements.

The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industry, business and future financial results. The forward-looking statements speak only as of the date on which they are made, and, except to the extent required by federal securities laws, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statements are made or to reflect the occurrence of unanticipated events. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed under "Item 1A. Risk Factors" and other sections in this Registration Statement.

Unless otherwise indicated or the context otherwise requires, all references in this section to "Tile" or "we," "our," "ours," "ourselves," "us" or similar terms refer to Tile, Inc. Our fiscal year ends March 31.

Overview

Tile's platform helps people find the things that matter the most to them, locating millions of unique items every day. Tile's products come in various shapes, sizes and price points for different use cases. We expect that Tile's network will become more robust when it leverages the Life360 member base to broaden its Tile network, generating even higher confidence that we can locate lost items of Tile customers.
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Tile gives everything the power of smart location, and we help locate millions of unique items each day. Leveraging Life360's vast community, with the Life360 app available for download in over 170 countries through the Apple App Store and over 130 countries through the Google Play Store as of March 31, 2022, will allow us to penetrate additional regions, as well as further enhance Tile's power to find things. Tile's cloud-based finding platform helps people find the things that matter to them most and helps solve the universal pain point of losing things. In addition to devices in multiple form factors for every use case, Tile works with over 50 partner products leveraging its finding technology across audio, travel, wearables and personal computer categories.
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Tile's product is a Bluetooth enabled device that works with an app, available on iOS or Android, to enable our members to locate Tile objects. Our Tile devices communicate location with any phone or tablet that has the app installed. Operating in the background, our app routinely uploads location information to the cloud that maps the last location a Tile device was located. When a Tile device is left behind, a member can use the app to ring the Tile. If the Tile device is within Bluetooth range, members can access a map to identify the last known location of the Tile device, or mark a Tile as lost to enable the Tile network to help search for the lost item.

Our Business Model

Tile offers a free service as well as two paid subscription options: Premium and Premium Protect. The Premium subscription offers smart alerts to proactively notify a member who has left Tile devices behind, free battery replacements for Tile devices with replaceable batteries, a warranty for Tile devices with defects or accidental damage, unlimited location sharing, location history for the past 30 days and access to Tile's premium customer care team. Premium is available for $2.99 per month or $29.99 per year. Premium Protect offers all the benefits of Premium, plus up to $1,000 item reimbursement per year and is available for $99.99 per year. Tile pioneered the Bluetooth finding category and creates finding experiences that allow our members to track and find their belongings. Tile sells hardware devices in various retail channels and develops products specifically meant to tackle the daily pain point of lost items. Tile offers a mobile app that serves as the main management tool for Tile devices and also provides value add premium subscription services. Our main areas of focus for the business are to:

Accelerate Our Recurring Revenue

Tile is in the early stages of building its subscription business and driving recurring revenue. Tile introduced its premium subscription service in October 2018 and paid subscribers have grown meaningfully since the introduction of the paid service. As of December 31, 2021, Tile's premium subscription business had over 478,400 paid subscribers. Tile hardware and embedded members are able to upgrade to the Premium service to take advantage of a suite of features that enhance the overall Tile finding experience.

Tile's premium subscription is available in two tiers, Premium and Premium Protect. Premium has several benefits that provide an enhanced finding experience enabling Tile's members to keep track of the important things in their life, including item reimbursement, smart alerts, unlimited sharing, location history, battery replacement and premium customer support. Premium Protect provides a higher level of item reimbursement in addition to other premium benefits. Premium Protect is currently available in the United States and we expect to introduce Premium Protect to select markets outside of the United States in the future. We also expect to introduce different tiers of item reimbursement in the future.

We expect to invest in the development of new premium features that help drive better engagement and overall finding experience that will drive higher levels of member conversion to paid subscription and increase recurring revenue.

Grow Our Device Business and Related Services

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As a pioneer in the Bluetooth finding category, we are focused on addressing the pain points that our members face with a service that is easy-to-use, intuitive and accurate. To date, we have sold more than 50 million Tile devices globally. Our finding service is differentiated from competitors in a number of ways, including:

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- **System- and Device-Agnostic**. The Tile service works across the major mobile operating systems, meaning that a member does not have to own a specific mobile device to use our hardware devices.
- **Leading Hardware Capability.** We have evolved our hardware capabilities over time with an emphasis on the member experience around finding range, battery management, ring volume, connectivity and other key member experience factors.
- **Multiple Form Factors.** We offer Tile devices in various form factors that provide finding solutions for specific finding use cases. These include our Slim product, which has a sleek form factor that fits into most wallets and low profile use cases, and our Sticker product, which has an adhesive that attaches to many different surfaces. In addition, we offer our Pro and Mate products, which have a convenient key ring and small form factors.
- **Member-First App Experience**. The Tile mobile app allows members to manage and operate their Tile devices, including the ability to ring their Tile devices, ring their phone, find last place seen and

access the Tile finding network. The Tile app is rated highly by members on both the Apple App Store and the Google Play Store, and we continue to develop and evolve the app with an eye towards an enhanced member finding experience.

- **Scale of Service.** Tile's finding service benefits from network effects in that each incremental member helps improve the overall finding experience for all members. We sell millions of Tile devices each year and continue to expand our embedded partnership ecosystem, allowing us to serve millions of engaged members with nearly a billion location updates each day.

Expand Our Embedded Partnerships

Tile is building an ecosystem of partners that build Tile technology directly into their products allowing members of those products to easily keep track of their things and find them when they are misplaced. Our embedded partnerships allow us to provide the Tile finding service without the need for a Tile device. Tile is currently embedded in over 50 partner products, including audio, travel, wearables and personal computer categories. Our embedded products allow members to protect their investment by being able to find it when lost. The partnerships provide Tile with access to new potential members and the ability to promote our Tile hardware devices and premium subscription services.

Recent Developments

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In January 2022, Life360 acquired Tile. Life360 and Tile entered into an agreement and plan of merger with total consideration comprised of i) $158.0 million of cash, ii) 780,593 shares of common stock issued to the securityholders of Tile, of which 1,561 shares were granted to a key Tile employee and vest based on continued employment, and iii) 534,465 shares of common stock contingent upon achieving certain financial conditions of which 4,784 shares of contingent consideration were granted to a key Tile employee and vest based on continued employment. In addition, Life360 granted 1,407,237 restricted stock units in retention awards for Tile employees, subject to performance requirements and/or continued employment.

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In September 2021, we refinanced a $17.5 million loan with a $30 million loan with a debt provider secured by our assets. This loan was paid off upon acquisition.

Impact of COVID-19

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To date, the COVID-19 pandemic has not had a significant, negative impact on our operations or financial performance. To adapt to the COVID-19 impact, we paused the majority of paid member acquisition spend and implemented other expense management initiatives. The extent of the impact of the COVID-19 pandemic on our operational and financial performance will depend on future developments, including the duration and spread of the outbreak, new information about additional variants, the availability and efficacy of vaccine distributions, additional or renewed actions by government authorities and private businesses to contain the pandemic or respond to its impact and altered consumer behavior, the pace of reopening, impact on our customers and our sales cycles, impact on our business operations, impact on our customer, employee or industry events, and effect on our vendors and other business partners, all of which are uncertain and cannot be predicted. Any such developments may have adverse impacts on global economic conditions, including disruptions of the supply chain globally, labor shortages and consumer confidence and spending, and could materially adversely affect demand, or subscribers' ability to pay, for our products and services. We considered the impact of COVID-19 on the assumptions and estimates used and determined that there were no material adverse impacts on its consolidated financial statements for the year ended December 31, 2021. As events related to COVID-19 continue to evolve, our assumptions and estimates may change materially in future periods. For additional information, see "Risk Factors—Risks Related to Our Business—The COVID-19 pandemic or the outbreak of any infectious disease in the United States or worldwide has adversely affected, and could continue to adversely affect, our business."

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Key Factors Affecting our Performance

Our financial condition and results of operations have been, and will continue to be, affected by a number of factors, including the following:

Ability to Drive Subscribers

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Our long-term ability to grow recurring revenue will depend on our ability to drive paid subscribers to our premium subscription services. We are still in the early stages of our paid subscription service and we believe that we can continue to meaningfully grow our paid subscriber base. Our ability to grow our paid subscribers base is directly related to the sales of our hardware devices and the number of embedded partner users that download the app. If we cannot continue to grow our hardware business or expand our embedded partnerships, our ability to grow paid subscribers will be impacted. Additionally, our ability to grow paid subscribers will depend on the continued attractiveness of our premium subscription service. We expect to continue to optimize the feature set of our premium subscription service to provide a member-focused finding experience.

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Ability to Attract New and Repeat Purchasers of Our Devices

Attracting new and repeat purchasers depends on our ability to design and release compelling smart trackers and market them effectively. Additionally, we face increasing competition from better funded global companies, specifically Apple.

We pioneered the finding category and we continue to invest in the development of hardware products assessing new and existing technologies with a priority on providing a great member finding experience.

Ability to Engage and Retain our Members

Our long-term growth depends in part on our ability to engage and retain our members. We prioritize providing a compelling member finding experience. However, our ability to do so depends on the continued evolution of our hardware devices, mobile app experience and overall finding experience.

Maintain Compelling Margins

Our ability to maintain our margins is dependent on a number of factors, including hardware and subscription revenue growth, product and channel mix, product costs, freight costs, tariffs, personnel costs and other operating expenses. We operate in a highly competitive market and there is no guarantee that we can maintain margins.

Ability to Grow Internationally

The majority of our sales are to customers in the United States. We believe we have an opportunity to grow our revenues outside of the United States. Growing our sales in existing international markets and new geographies requires investment in personnel, operations, sales, marketing, compliance and internalization. There is no guarantee that our products will be as well received or experience the same growth as in the United States.

Seasonality

We have historically experienced higher revenue in the fourth calendar quarter compared to other quarters due to higher seasonal holiday demand and the timing of our product introductions. For example, during the year ended March 31, 2021 and March 31, 2020, the third quarters accounted for 48% and 39% of our total revenue, respectively. We also incur higher sales and marketing expenses during this period. We believe our seasonality could be mitigated over time as the percent of our total revenue comprised by subscription revenue increases.

Key Performance Indicators

We review several operating metrics, including the following key performance indicators, to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions. We believe these key metrics are useful to investors because they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making, and they may be used by investors to help analyze the health of our business.

Subscribers

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Tile offers a subscription product in addition to the freemium experience. With a subscription, subscribers gain access to premium features including smart alerts, location history, battery replacements, and Item Reimbursement. As of December 31, 2020 and 2021, Tile had approximately 372,000 and over 478,000 paid subscriptions, respectively, representing an increase of 29% year over year.

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Tile grows its subscription count by increasing the number of Tile devices sold, converting a greater number of users to paying subscribers, and retaining them thereafter. The percentage of new users who convert to paying subscribers has increased over time as Tile has added new features and improved the marketing of its subscription product.

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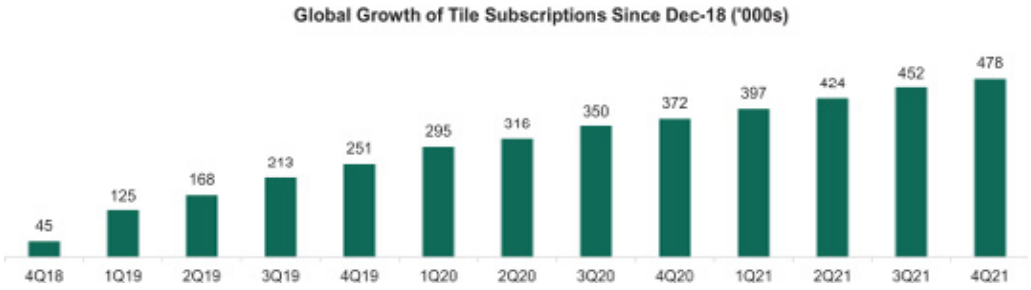

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Total Average Revenue per Paying Subscription

We define Average Revenue Per Paying Subscription ("ARPPS") as Tile subscription revenue for the period presented divided by the average number of paying subscribers during the same period. For the year ended December 31, 2021, Tile had ARPPS of $33.63, an increase of approximately 6% compared to the year ended December 31, 2020.

Tile sells two subscription tiers at $29.99 and $99.99 annually. The $99.99 tier is currently only available in the United States while the $29.99 tier is available in most countries. ARPPS has increased year over year as a result of the percentage of new subscribers who select the $99.99 tier significantly increased over time.

Number of Tile Devices Sold

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Number of Tile devices sold represents the number of products that are sold during a period, net of returns by our retail partners and directly to consumers. Selling Tile devices contributes to hardware revenue and ultimately increases the number of users eligible for a Tile subscription. We can increase the number of Tile devices sold through marketing and promotional activity. In the year ended December 31, 2021, Tile sold nearly 6.2 million units, which was up approximately 4% compared to the year ended December 31, 2020.

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Net Average Selling Price

To determine the net average selling price of a Tile device, we divide net hardware revenue by the number of Tile devices sold ("ASP"). Net ASP is largely driven by the price we charge customers, including the price we

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charge to our retail partners and directly to consumers. In the year ended December 31, 2021, the net ASP of a Tile device was $14.70, an increase of 13% compared to the year ended December 31, 2020 reflecting Tile's move away from a high volume promotional approach via improved retailer margin and product mix.
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Non-GAAP Financial Measures

Adjusted EBITDA

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We collect and analyze operating and financial data to evaluate the health of our business, allocate our resources and assess our performance. In addition to total net revenue, net loss and other results under GAAP, we utilize non-GAAP calculations of adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"). Adjusted EBITDA is defined as net loss, excluding (i) depreciation and amortization, (ii) stock-based compensation expenses, (iii) other (income)/expense, and (iv) certain non-recurring expenses.
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The above items are excluded from our Adjusted EBITDA measurement because these items are non-cash in nature, or because the amount and timing of these items is unpredictable, is not driven by core results of operations and renders comparisons with prior periods and competitors less meaningful. We believe Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our results of operations, as well as providing a useful measure for period-to-period comparisons of our business performance. Moreover, we have included Adjusted EBITDA in this Registration Statement because it is a key measurement used by our management internally to make operating decisions, including those related to operating expenses, evaluate performance, and perform strategic planning and annual budgeting. However, this non-GAAP financial information is presented for supplemental informational purposes only, should not be considered a substitute for or superior to financial information presented in accordance with GAAP and may be different from similarly titled non-GAAP measures used by other companies. The following table presents a reconciliation of net loss, the most directly comparable GAAP measure, to Adjusted EBITDA.

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	Year Ended March 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
Adjusted EBITDA	*(in thousands)*		*(in thousands, unaudited)*	
Net income (loss)	$(7,037)	$(21,823)	$ (4,844)	$ 170
Add (deduct):				
Benefit from (provision for) income taxes	(64)	69	—	—
Other (income)/expense	(401)	462	(7)	(434)
Interest expense	2,582	2,575	3,922	1,860
Depreciation and amortization	939	1,319	407	781
Expense (income) on extinguishment of debt	—	516	(2,507)	—
Sales tax penalty(1)	776	—	—	—
Stock-based compensation	1,275	1,088	849	702
Adjusted EBITDA (non-GAAP)	$(1,930)	$(15,794)	$ (2,180)	$ 3,079

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(1) Penalties related to delay in filing of sales returns and remitting amounts due.

Key Components of Our Results of Operations

The following discussion describes certain line items in our Consolidated Statements of Operations.

Revenue

Hardware Revenue

We generate a majority of our revenue from the sale of our Tile devices. We sell Tile devices through a number of channels including our website, brick and mortar retail and online retail.

Subscriptions and Other Revenue

We also generate revenue from our subscription-based premium service, which is an annual or monthly subscription that enables additional features such as item reimbursement, smart alerts, unlimited sharing, location history, battery replacement and premium customer support.

Cost of Revenues, Gross Profit and Gross Margin

Cost of Hardware Revenue

Cost of hardware revenue consists of product costs, including hardware production, contract manufacturers for production, shipping and handling, packaging, fulfillment, personnel-related expenses, manufacturing and equipment depreciation, warehousing, tariff costs, hosting, app fees, customer support costs, warranty replacement, and write-downs of excess and obsolete inventory. Personnel-related expenses include salaries, bonuses, benefits, and stock-based compensation for operations personnel.

We outsource our manufacturing, warehouse operations and order fulfillment activities to third parties. Our product costs will vary directly with volume and based on the costs of underlying product components as well as the prices we are able to negotiate with our contract manufacturers. Shipping costs will fluctuate with volume, method of shipping and general shipping rates.

Cost of Subscriptions and Other Revenue

Cost of subscriptions and Other Revenue includes hosting, payment processor fees, allocated overhead costs, and customer support service costs. Personnel-related expenses include salaries, bonuses, benefits, and stock-based compensation for operations personnel.

Gross Profit and Gross Margin

Our gross profit has been, and may in the future be, influenced by several factors including, but not limited to product, channel and geographical revenue mix; changes in product costs related to the release of different products; component, contract manufacturing and supplier pricing; tariff costs; and foreign currency exchange. Gross profit and gross profit margin may fluctuate over time based on the factors described above.

Operating Expenses

Our operating expenses consist of research and development, sales and marketing and general and administrative expenses.

Research and Development

Our research and development expenses consist primarily of personnel-related costs, including salaries, stock-based compensation and employee benefits and material costs of building and developing prototypes for new products, mobile app development, as well as design and engineering costs. We believe that continued investment in our product is important for our growth. We expect our research and development expenses to increase in absolute dollars as we continue to make significant investments in developing new products and services and enhancing existing products and services.

Sales and Marketing

Our sales and marketing expenses consist primarily of advertising and marketing promotions of our products and services and personnel-related expenses, as well as costs related to sales incentives, trade shows and events, and sponsorships. We expect our sales and marketing expenses to increase in absolute dollars as we continue to actively promote our products and services.

General and Administrative

Our general and administrative expenses consist primarily of employee-related costs for our legal, finance, human resources, and other administrative teams, as well as the costs of professional services, information technology, and other administrative expenses. We expect our general and administrative expenses to increase in absolute dollars due to the anticipated growth of our business and related infrastructure.

Interest Expense

Interest expense consists of interest expense associated with our debt financing arrangements.

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Expense (Income) on Extinguishment of Debt

Gain/(loss) on extinguishment of debt consists of expense (income) associated with the extinguishment of debt.

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Other (Income) Expense, net

Other (income) expense, net consists of interest income earned on our cash and cash equivalents balances, foreign currency exchange losses/(gains) related to the remeasurement of certain assets and liabilities of our foreign subsidiaries that are denominated in currencies other than the functional currency of the subsidiary and foreign exchange transactions (gains) losses.

Benefit from (Provision for) Income Taxes

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

Results of Operations

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The following table presents our consolidated statement of operations for the year ended March 31, 2021 and 2020 and for the nine months ended December 31, 2021 and 2020. We have derived this data from our consolidated financial statements included elsewhere in this Registration Statement. This information should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Registration Statement. The results of historical periods are not necessarily indicative of the results of operations for any future period.

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	Year Ended March 31,			Nine Months Ended December 31,		
	2021	2020	% Change	2021	2020	% Change
	(in thousands)			*(in thousands, unaudited)*		
Revenue						
Hardware	$82,333	$83,063	(1)%	$ 77,782	$ 70,027	11%
Subscriptions and other	11,676	7,460	57%	11,391	7,562	51%
Total revenue	94,009	90,523	4%	89,173	77,589	15%
Cost of revenue(1)						
Cost of hardware	42,705	51,094	(16)%	42,863	35,381	21%
Cost of subscriptions and other	7,165	5,467	31%	6,328	4,859	30%
Total cost of revenue	49,870	56,561	(12)%	49,191	40,240	22%
Gross profit	44,139	33,962	30%	39,982	37,349	7%
Operating expenses(1)						
Research and development	20,547	18,667	10%	18,233	14,822	23%
Sales and marketing	17,943	25,343	(29)%	17,323	14,169	22%
General and administrative	10,569	8,153	30%	7,862	6,762	16%
Total operating expenses	49,059	52,163	(6)%	43,418	35,753	21%

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	Year Ended March 31,			Nine Months Ended December 31,		
	2021	2020	% Change	2021	2020	% Change
	(in thousands)			*(in thousands, unaudited)*		
Income (loss) from operations	(4,920)	(18,201)	(73)%	(3,436)	1,596	(315)%
Interest expense	2,582	2,575	0%	3,922	1,860	111%
Expense (income) on extinguishment of debt	—	516	(100)%	(2,507)	—	100%
Other (income) expense, net	(401)	462	(187)%	(7)	(434)	(98)%
Income (loss) before benefit from (provision for) income taxes	(7,101)	(21,754)	(67)%	(4,844)	170	(2949)%
Benefit from (provision for) income taxes	64	(69)	193%	—	—	
Net income (loss) and comprehensive income (loss)	$(7,037)	$(21,823)	(68)%	(4,844)	170	(2949)%

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(1) Includes stock-based compensation as follows:

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	Year Ended March 31,			Nine Months Ended December 31,		
	2021	2020	% Change	2021	2020	% Change
	(in thousands)			*(in thousands, unaudited)*		
Cost of revenue						
Cost of hardware	$ 117	$ 81	44%	$ 72	$ 62	15%
Cost of subscriptions and other	12	5	140%	10	7	56%
Research and development	598	412	45%	376	322	17%
Sales and marketing	292	293	0%	206	158	30%
General and administrative	256	297	(14)%	185	153	21%
Total stock-based compensation expense	$1,275	$1,088	17%	$ 849	$ 702	21%

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

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	Year Ended March 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
	(As a % of revenue)			
Revenue				
Hardware	88%	92%	87%	90%
Subscriptions and other	12%	8%	13%	10%
Total revenue	100%	100%	100%	100%
Cost of revenue				
Cost of hardware	45%	56%	48%	46%
Cost of subscriptions and other	8%	6%	7%	6%
Total cost of revenue	53%	62%	55%	52%
Gross profit	47%	38%	45%	48%
Operating expenses				
Research and development	22%	21%	20%	19%
Sales and marketing	19%	28%	19%	18%
General and administrative	11%	9%	9%	9%
Total operating expenses	52%	58%	49%	46%
Income (loss) from operations	(5)%	(20)%	(4)%	2%
Interest expense	3%	3%	4%	2%
Expense (income) on extinguishment of debt	0%	1%	0%	0%

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	Year Ended March 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
	(As a % of revenue)			
Other (income) expense, net	0%	1%	0%	(1)%
Income (loss) before benefit from (provision for) income taxes	(8)%	(24)%	(5)%	0%
Benefit from (provision for) income taxes	0%	0%	0%	0%
Net income (loss) and comprehensive income (loss)	(7)%	(24)%	(5)%	0%

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Comparison of the Years Ended March 31, 2020 and 2021

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Revenue, net

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	Year Ended March 31,		Change	
	2021	2020	$	%
	(in thousands)			
Revenue				
Hardware	$82,333	$ 83,063	$ (730)	(1)%
Subscription and other	11,676	7,460	4,216	57%
Total revenue	$94,009	$ 90,523	$3,486	4%

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Total revenue increased $3.5 million, or 4%, during the year ended March 31, 2021, as compared to the year ended March 31, 2020.

Hardware revenue decreased $0.7 million, or 1%, during the year ended March 31, 2021, as compared to the year ended March 31, 2020, as Tile focused on hardware unit economics and growing subscription revenue.

Subscription and other revenue increased by $4.2 million, or 57%, during the year ended March 31, 2021, as compared to the year ended March 31, 2020, driven by an increase in the number of paid subscribers and the average revenue per paid subscriber during the period.

Cost of Revenue, Gross Profit, and Gross Margin

	Year Ended March 31,		Change	
	2021	2020	$	%
	(in thousands)			
Cost of revenue				
Cost of hardware	$42,705	$51,094	$ (8,389)	(16)%
Cost of subscriptions and other	7,165	5,467	1,698	31%
Total cost of revenue	49,870	56,561	(6,691)	(12)%
Gross profit	$44,139	$33,962	$ 10,177	30%
Gross margin:				
Hardware	48%	38%		
Subscriptions and other	39%	27%		

Cost of hardware revenue decreased by $8.4 million, or 16% during the year ended March 31, 2021, as compared to the year ended March 31, 2020, primarily due to a $6.4 million decrease in hardware costs related to a shift from multi-pack to single pack devices and improved economics in our sales distribution channels. The decrease in cost of hardware revenue also related to a $0.9 million decrease in professional and outside services as internal resources were utilized, a $0.5 million decrease in warranty costs, a $0.3 million decrease in tooling and warehouse costs, and a $0.2 million decrease in shipping costs.

Hardware margin increased to 48% during the year ended March 31, 2021, from 38% during the year ended March 31, 2020, primarily due to a lower hardware product cost.

Cost of subscriptions and other revenue increased by $1.7 million, or 31%, during the year ended March 31, 2021, as compared to the year ended March 31, 2020, primarily due to a $0.9 million increase in premium subscription payment processing costs due to volume growth, and a $0.6 million increase in hosting expenses due to increased scaling of the business.

Subscriptions and other margin increased to 39% during the year ended March 31, 2021, from 27% during the year ended March 31, 2020, primarily due to infrastructure optimization and the related increase in the number of paid subscribers.

Research and Development

	Year Ended March 31,		Change	
	2021	2020	$	%
	(in thousands)			
Research and development	$ 20,547	$ 18,667	$1,880	10%

Research and development expenses increased $1.9 million, or 10%, during the year ended March 31, 2021, as compared to the year ended March 31, 2020. The increase was primarily due to an increase of $2.6 million in personnel-related costs and stock-based compensation due to headcount growth. The increase was partially offset by a decrease of $0.7 million in professional and outside services as responsibilities were brought in house.

Sales and Marketing

	Year Ended March 31,		Change	
	2021	2020	$	%
	(in thousands)			
Sales and marketing	$ 17,943	$ 25,343	$(7,400)	(29)%

Sales and marketing expenses decreased $7.4 million, or 29%, during the year ended March 31, 2021, as compared to the year ended March 31, 2020. This decrease was primarily due to a decrease of $5.3 million related to a reduction in marketing and advertising spend, a decrease of $1.3 million related to professional and outside services, and a decrease of $0.7 million in travel and entertainment costs, trade shows and other expenses that were deliberately scaled back as part of COVID-19 cost saving initiatives during the year. In addition, the decrease in sales and marketing was due to a $0.6 million decrease in commission expense due to the decrease in hardware sales and restructuring of the organization during the period. The decrease was partially offset by an increase of $0.7 million in personnel and related costs as we increased our sales and marketing headcount in support of our in-house marketing model.

General and Administrative

	Year Ended March 31,		Change	
	2021	2020	$	%
	(in thousands)			
General and administrative	$ 10,569	$ 8,153	$2,416	30%

General and administrative expenses increased $2.4 million, or 30%, during the year ended March 31, 2021, as compared to the year ended March 31, 2020. The increase was primarily due to a $1.5 million increase in personnel-related costs and stock-based compensation due to growth in headcount, a $0.6 million increase in bad

debt expense, a $0.5 million increase in insurance and tax expense, and a $0.3 million increase in software fees due to scaling of the business. These increases were partially offset by a decrease of $0.4 million in professional and outside services as we leveraged internal resources.

Interest Expense

	Year Ended March 31,		Change	
	2021	2020	$	%
	(in thousands)			
Interest expense	$ 2,582	$ 2,575	$7	0%

Interest expense did not experience a material change primarily due to long term debt balances that were consistent period over period.

Expense (Income) on Extinguishment of Debt

	Year Ended March 31,		Change	
	2021	2020	$	%
	(in thousands)			
Expense (income) on extinguishment of promissory note	$ —	$ 516	$(516)	(100)%

We recorded a loss on the extinguishment of debt related to a promissory note for the year ended March 31, 2020, resulting in a change of $0.5 million due to the conversion of promissory notes into convertible preferred stock.

Other (Income) Expense, net

	Year Ended March 31,		Change	
	2021	2020	$	%
	(in thousands)			
Other (income) expense	$ (401)	$ 462	$(863)	(1187)%

Other (income) expense, net decreased by $0.9 million, or 187%, during the year ended March 31, 2021, as compared to the year ended March 31, 2020, primarily due to a $0.8 million increase in foreign exchange loss.

Comparison of the Nine Months ended December 31, 2021 and 2020

Revenue, net

	Nine Months Ended December 31,		Change	
	2021	2020	$	%
	(in thousands, unaudited)			
Revenue				
Hardware	$ 77,782	$ 70,027	$ 7,755	11%
Subscription and other	11,391	7,562	3,829	51%
Total revenue	$ 89,173	$ 77,589	$11,584	15%

Total revenue increased $11.6 million, or 15%, during the nine months ended December 31, 2021, as compared to the nine months ended December 31, 2020.

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Hardware revenue increased $7.8 million, or 11%, during the nine months ended December 31, 2021, as compared to the nine months ended December 31, 2020, due to hardware mix, primarily attributable to new product introductions during the nine months ended December 31, 2021.

Subscription and other revenue increased by $3.8 million, or 51%, during the nine months ended December 31, 2021, as compared to the nine months ended December 31, 2020, driven by an increase in the number of paid subscribers, bundling of subscription with hardware, and the average revenue per paid subscriber during the period.

Cost of Revenue, Gross Profit, and Gross Margin
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	Nine Months Ended December 31,		Change	
	2021	2020	$	%
	(in thousands, unaudited)			
Cost of revenue				
Cost of hardware	$ 42,863	$ 35,381	$7,482	21%
Cost of subscriptions and other	6,328	4,859	1,469	30%
Total cost of revenue	$ 49,191	$ 40,240	$8,951	22%
Gross profit	$ 39,982	$ 37,349	$2,633	7%
Gross margin:				
Hardware	45%	49%		
Subscriptions and other	44%	36%		

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Cost of hardware revenue increased by $7.5 million, or 21% during the nine months ended December 31, 2021, as compared to the nine months ended December 31, 2020, primarily due to a $7.1 million increase in hardware costs related to higher costs associated with new products cost including shipping and tariff costs, and an increase of $0.3 million in personnel-related costs and stock-based compensation due to headcount growth.

Hardware margin decreased to 45% during the nine months ended December 31, 2021, from 49% during the nine months ended December 31, 2020, primarily due to hardware product mix and higher hardware product costs, shipping and tariff costs related to new product introductions during the nine months ended December 31, 2021.

Cost of subscriptions and other revenue increased by $1.5 million, or 30%, during the nine months ended December 31, 2021, as compared to the nine months ended December 31, 2020, primarily due to a $0.7 million increase in premium subscription payment processing costs due to volume growth, and a $0.6 million increase in hosting expenses due to increased scaling of the business.

Subscriptions and other margin increased to 44% during the nine months ended December 31, 2021, from 36% during the nine months ended December 31, primarily due to infrastructure optimization and the related increase in the number of paid subscribers and the increase in average revenue per paid subscriber during the period.

Research and Development
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	Nine Months Ended December 31,		Change	
	2021	2020	$	%
	(in thousands, unaudited)			
Research and development	$ 18,233	$ 14,822	$3,411	23%

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Research and development expenses increased $3.4 million, or 23%, during the nine months ended December 31, 2021, as compared to the nine months ended December 31, 2020. The increase was primarily due
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to an increase of $1.8 million in personnel-related costs and stock-based compensation due to headcount growth. The increase was also due to an increase of $0.8 million in professional and outside services and $0.3 million in new product prototypes. Facilities related costs increased by $0.3 million in support of our increased headcount.

Sales and Marketing
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	Nine Months Ended December 31,		Change	
	2021	2020	$	%
	(in thousands, unaudited)			
Sales and marketing	$ 17,323	$ 14,169	$3,154	22%

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Sales and marketing expenses increased $3.2 million, or 22%, during the nine months ended December 31, 2021, as compared to the nine months ended December 31, 2020. This increase was primarily due to an increase of $0.9 million related to marketing and advertising spend, an increase of $0.4 million related to professional and outside services, and an increase of $1.7 million in personnel and related costs as we increased our sales and marketing headcount in support of our in-house marketing model.

General and Administrative
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	Nine Months Ended December 31,		Change	
	2021	2020	$	%
	(in thousands, unaudited)			
General and administrative	$ 7,862	$ 6,762	$1,100	16%

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General and administrative expenses increased $1.1 million, or 16%, during the nine months ended December 31, 2021, as compared to the nine months ended December 31, 2020. The increase was primarily due to a $0.8 million increase in personnel-related costs and stock-based compensation due to growth in headcount, and a $0.3 million increase in professional and outside services.

Interest Expense
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	Nine Months Ended December 31,		Change	
	2021	2020	$	%
	(in thousands, unaudited)			
Interest expense	$ 3,922	$ 1,860	$2,062	111%

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Interest expense increased $2.1 million, or 111%, during the nine months ended December 31, 2021, as compared to the nine months ended December 31, 2020. The increase of $2.1 million related to interest expense associated with the increased outstanding debt related to the Term Loan that was entered into in September 2021.

Expense (income) on Extinguishment of Debt
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	Nine Months Ended December 31,		Change	
	2021	2020	$	%
	(in thousands, unaudited)			
Expense (income) on extinguishment of debt	$ (2,507)	$ —	$(2,507)	100%

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In April 2020 the Company received loan proceeds in the amount of approximately $2.5 million under the Paycheck Protection Program (“PPP”)

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Act. In June 2021 the Company received notification from the U.S. Small Business Administration that the PPP funds were forgiven. The increase related to the Company derecognizing the liability and recognizing the forgiveness of the loan in the statements of operation.

Other (Income) Expense, net
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	Nine Months Ended December 31,		Change	
	2021	2020	$	%
	(in thousands, unaudited)			
Other (income) expense, net	$ (7)	$ (434)	$427	(98)%

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Other (income) expense, net decreased by $0.4 million, or 98%, during the nine months ended December 31, 2021, as compared to the nine months ended December 31, 2020, primarily due to a $0.4 million increase in foreign exchange loss.
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Liquidity and Capital Resources

Since its inception, Tile has financed its operations primarily through the sale of preferred equity securities borrowings under credit facilities and cash generated from our operations. Since Tile's inception, we have raised a total of $120.3 million in capital financings, less issuance costs of $0.8 million. As of March 31, 2021, Tile's principal sources of liquidity were cash and cash equivalents totaling $35.6 million. We believe that our existing cash and cash equivalents and cash provided by hardware device sales will be sufficient to support working capital and capital expenditure requirements for at least the next 12 months. Our future capital requirements may vary materially from those currently planned and as a result, we may be required to seek additional capital. If we are unable to raise additional capital on terms acceptable to us or at all or generate cash flows necessary to expand our operations and invest in continued innovation, we may not be able to compete successfully, which would harm our business, financial condition and results of operations.

Tile's cash flow activities were as follows for the periods presented:

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	Year Ended March 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
	(in thousands)		*(in thousands, unaudited)*	
Net cash (used in) provided by operating activities	$ 11,675	$ (32,515)	$ (17,286)	$ 6,371
Net cash used in investing activities	(182)	(1,146)	(414)	(117)
Net cash provided by financing activities	2,553	48,802	14,072	2,559
Net (decrease) increase in cash and cash equivalents	$ 13,646	$ 15,141	$ (3,628)	$ 8,813

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Operating Activities

Our largest source of operating cash is cash collections from our subscribers for hardware device sales. Our primary uses of cash from operating activities are for inventory procurement, employee-related expenditures, infrastructure-related costs, and marketing expenses. Net cash provided by (used in) operating activities is impacted by our net loss adjusted for certain non-cash items, including depreciation and amortization expenses and stock-based compensation, as well as the effect of changes in operating assets and liabilities.
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For the year ended March 31, 2021, operating activities provided $11.7 million in cash. The primary factors affecting our operating cash flows during this period were our net loss of $7.0 million, impacted by $2.9 million non-cash charges, and $15.8 million of cash provided by changes in our operating assets and liabilities. The non-cash charges primarily consisted of $1.3 million in stock-based compensation, $0.9 million of depreciation
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and amortization, and $0.7 million in amortization of debt issuance costs. The cash provided by changes in our operating assets and liabilities was primarily due to a $10.7 million decrease in inventory, a $2.7 million increase in accounts payable, a $2.3 million decrease in prepaid expenses and other current assets, a $1.1 million increase in deferred revenue, and a $1.5 million increase in accrued liabilities and other liabilities. These amounts were partially offset by a $1.7 million increase in accounts receivable, net and a $1.1 million decrease in accrued product returns.

For the year ended March 31, 2020, operating activities used $32.5 million in cash. The primary factors affecting our operating cash flows during this period were our net loss of $21.8 million, impacted by $2.9 million non-cash charges, and $13.6 million of cash used by changes in our operating assets and liabilities. The non-cash charges primarily consisted of $1.3 million of depreciation and amortization, $1.1 million in stock-based compensation, and $0.5 million of related to loss on extinguishment of promissory note. The cash used by changes in our operating assets and liabilities was primarily due to a $10.2 million decrease in accounts payable, a $9.0 million increase in inventory, a $3.3 million increase in prepaid expenses and other current assets, a $1.9 million decrease in other liabilities, and a $1.1 million increase in deferred cost of revenue. These amounts were partially offset by a $4.7 million decrease in accounts receivable, a $4.2 million increase in accrued liabilities, a $1.9 million increase in deferred revenue, and a $1.4 million increase in accrued product returns.

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For the nine months ended December 31, 2021, operating activities used $17.3 million in cash. The primary factors affecting our operating cash flows during this period were our net loss of $4.8 million, impacted by $1.2 million non-cash charges, and $11.2 million of cash provided by changes in our operating assets and liabilities. The non-cash charges primarily consisted of $2.5 million in PPP loan forgiveness, $0.8 million in stock-based compensation, and $0.4 million of depreciation and amortization. The cash provided by changes in our operating assets and liabilities was primarily due to a $14.6 million increase in accounts payable, a $6.8 million increase in accrued liabilities and other liabilities, and a $1.7 million increase in accrued product returns. These amounts were offset by a $23.6 million increase in accounts receivable, net, a $7.9 million increase in prepaid expenses and other current assets, a $2.6 million increase in inventory, and a $2.6 million increase in inventories.

For the nine months ended December 31, 2020, operating activities provided $6.4 million in cash. The primary factors affecting our operating cash flows during this period were our net income of $0.2 million, impacted by $1.9 million non-cash charges, and $4.3 million of cash used by changes in our operating assets and liabilities. The non-cash charges consisted of $0.8 million of depreciation and amortization, and $0.7 million in stock-based compensation, and $0.4 million in amortization of debt issuance costs. The cash provided by changes in our operating assets and liabilities was primarily due to a $10.1 million decrease in inventories, a $7.5 million increase in accrued liabilities and other liabilities, a $6.2 million increase in accounts payable, and a $2.1 million decrease in prepaid expenses and other current assets. These amounts were partially offset by a $22.7 million increase in accounts receivable, net.

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Investing Activities

Net cash used in investing activities is impacted by purchases of property and equipment.

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For the year ended March 31, 2021, net cash used in investing activities was $0.2 million, which related to cash paid for property and equipment during the period.

For the year ended March 31, 2020, net cash used in investing activities was $1.1 million, which related to cash paid for property and equipment during the period.

For the nine months ended December 31, 2021, net cash used in investing activities was $0.4 million, which related to cash paid for property and equipment during the period.

For the nine months ended December 31, 2020, net cash used in investing activities was $0.1 million, which related to cash paid for property and equipment during the period.

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Financing Activities

For the year ended March 31, 2021, cash provided by financing activities was $2.6 million, which primarily related to $2.5 million in proceeds from the PPP Loan (as defined below).

For the year ended March 31, 2020, cash provided by financing activities was $48.8 million, which primarily related to $41.6 million in proceeds from the issuance of Series C convertible preferred stock, net of issuance costs, $19.0 million in proceeds from the loan and security agreement, and $4.6 million in proceeds from issuance of promissory notes. These amounts were partially offset by the $12.9 million repayment on our term loan, $2.3 million in payments on our working capital line of credit, net, and $1.9 million in debt issuance costs on our term loan.

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For the nine months ended December 31, 2021, cash provided by financing activities was $14.1 million, which primarily related to $33 million in proceeds from the term loan offset by a $19 million repayment of outstanding debt.

For the nine months ended December 31, 2020, cash provided by financing activities was $2.6 million, which primarily related to the proceeds of the PPP Loan.

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Off-Balance Sheet Arrangements

For the years ended December 31, 2021 and 2020, there were no off-balance sheet arrangements.

Debt Obligations

Loan and Security Agreement

In May 2019, Tile entered into a Loan and Security Agreement with Pinnacle Ventures, pursuant to which Pinnacle Ventures issued to Tile term loans ("Term Loans") in the aggregate principal amount of $17.5 million, of which $13.2 million was used to replace Tile's existing line of credit with Silicon Valley Bank. The interest rate for the payments under the Term Loans not including the final payment of the Term Loan is the greater of the prime rate based on the federal funds rate determined on each date 15 days before the applicable payment date plus 500 basis points, or 10.5% per annum. The final payment interest rate for the Term Loans will be the greater of the prime rate determined as of 15 days before the date of the final payment plus 300 basis points and 8.5%. The Term Loans are secured by substantially all assets of Tile. The Loan and Security Agreement contains financial and non-financial covenants, and the Term Loans will mature in May 2023.

Paycheck Protection Program

Tile determined that it met the original eligibility requirements initially established by the U.S. federal government as part of the CARES Act for the PPP. On April 30, 2020, Tile received $2.5 million in loans from the PPP (the "PPP Loan"). On June 10, 2021, the U.S. Small Business Administration completed its review of Tile's PPP Loan and agreed to forgive the entire outstanding loan balance of $2.5 million.

Obligations and Other Commitments

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Our principal commitments consist of obligations under our Term Loans and operating leases for office space. Our obligations under our Term Loans are described in the "Liquidity and Capital Resources" section and in Note 8 to our consolidated financial statements. Information regarding our non-cancellable lease commitments as of March 31, 2021, can be found in Note 6 to our consolidated financial statements. As of December 31, 2021 and March 31, 2021, we had no non-cancellable outstanding purchase orders for finished goods to be delivered by our contract manufacturer.

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On September 9, 2021, we entered into a secured term loan with Capital IP Investment Partners, LLC in an aggregate principal amount $40 million with a maturity date of September 9, 2026. The term loan consists of two terms: Term A with an aggregate principal of $33 million, and Term B will be $7 million. The Loans shall bear interest on the outstanding principal amount thereof from the Closing Date (or, in the case of the Term B Loans, from the Term B Funding Date), for any Interest Period, at a rate per annum equal to the sum of (i) the greater of (A) LIBOR for such Interest Period and (B) one-quarter of one percent (0.25%), plus (ii) the Applicable Margin.

Qualitative and Quantitative Disclosures about Market Risk

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates and foreign currency exchange rates.

Interest Rate Risk

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As of December 31, 2021 and March 31, 2021, we had cash and cash equivalents of $31.1 million and $35.6 million, respectively, which are held for working capital purposes.

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As of March 31, 2021, we had indebtedness of $20.3 million under the Loan and Security Agreement. The interest rate for the payments not including the final payment of the loan is the greater of the prime rate based on the federal funds rate determined on each date 15 days before the applicable payment date plus 500 basis points, or 10.5% per annum. The final payment interest rate will be the greater of the prime rate determined as of 15 days before the date of the final payment plus 300 basis points and 8.5%. The loan is collateralized by substantially all of our assets and contains financial and non-financial convents with the loan maturing in May 2023.

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As of December 31, 2021, we had indebtedness of $31.9 million under the secured term loan. The term loans bear interest on outstanding principal amount from the closing date, or in the case of the Term B loan, from the Term B funding date, at a rate per annum equal to the sum of the greater of LIBOR for such period and one-quarter of one percent plus applicable margin. The loan was collateralized by substantially all assets of the Company and contains financial and non-financial covenants.

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To date, we have not been exposed, nor do we anticipate being exposed, to material risks due to changes in interest rates. A hypothetical 10% change in interest rates during any of the periods presented would not have had a material impact on our consolidated financial statements.

Foreign Currency Exchange Risk

To date, all of our inventory purchases have been denominated in U.S. dollars. Our international sales are primarily denominated in foreign currencies, and any unfavorable movement in the exchange rate between U.S. dollars and the currencies in which we conduct sales in foreign countries could have an adverse impact on our revenue. A portion of our operating expenses are incurred outside the United States and are denominated in foreign currencies, which are also subject to fluctuations due to changes in foreign currency exchange rates. In addition, our suppliers incur many costs, including labor costs, in other currencies. To the extent that exchange rates move unfavorably for our suppliers, they may seek to pass these additional costs on to us, which could have a material impact on our gross margins. Our operating results and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates. However, we believe that the exposure to foreign currency fluctuation from revenue and operating expenses is relatively small at this time as the related costs do not constitute a significant portion of our total expenses. Based on transactions denominated in currencies other than respective functional currencies, a hypothetical change of 1,000 basis points during any of the periods presented would not have had a material impact on our consolidated financial statements.

Inflation Risk

We do not believe that inflation has had a material effect on our business, results of operations, or financial condition. Nonetheless, if our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs. Our inability or failure to do so could harm our business, results of operations, or financial condition.

Critical Accounting Policies and Significant Management Estimates

Tile prepares its consolidated financial statements in accordance with GAAP. The preparation of consolidated financial statements also requires Tile to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from the estimates made by our management. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates. Critical accounting policies and estimates are those that we consider the most important to the portrayal of our financial condition and results of operations because they require our most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The critical accounting estimates, assumptions, and judgments that we believe to have the most significant impact on our consolidated financial statements are described below. This discussion is provided to supplement the descriptions of our accounting policies contained in Note 2, "Summary of Significant Accounting Policies" within the condensed consolidated financial statements.

Revenue Recognition

We derive a majority of our revenue from sales of our Tile hardware devices (which include support fees) and premium subscriptions. We sell add-on subscriptions that are generally monthly to annual in length. Our arrangements are generally non-cancellable and non-refundable. Our subscription arrangements do not provide customers with the right to take possession of the software supporting the platform and, as a result, are accounted for as service arrangements.

We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, we satisfy a performance obligation.

Products and Services

We derive a majority of our revenue from sales of our Tile hardware devices. We also generate revenue from the Premium Subscription. We consider delivery of our products to have occurred once control has transferred and delivery of services to have occurred as control is transferred. We recognize revenue, net of estimated sales returns, sales incentives, discounts, and sales tax.

Arrangements with Multiple Performance Obligations

Our sales arrangements typically contain multiple performance obligations, consisting of the hardware sale, application usage, hardware support, and in some cases, the Premium Subscription. For arrangements with

multiplate performance obligations where the contracted price differs from the standalone selling price (the "SSP") for any distinct good or service, we may be required to allocate the transaction price to each performance obligation using our best estimates for the SSP. Our process for determining the SSP considers multiple factors including consumer behaviors, our internal pricing model, and cost-plus margin, and may vary depending upon the facts and circumstances related to each deliverable. For business-to-business hardware sales, we will estimate the expected consideration amount after credits and discounts.

Amounts allocated to the delivered Tile hardware devices are recognized at the time of delivery, provided the other conditions for revenue recognition have been met, with a portion of the consideration being allocated to application usage (maintenance) and support. Amounts allocated to Premium Subscription are deferred and recognized ratably over the subscription term.

Sales Incentives

We offer sales incentives through various programs, consisting primarily of cooperative advertising and pricing promotions to retailers and distributors. We record advertising with customers as a reduction to revenue unless we receive a distinct benefit in exchange for credits claimed by the customer and can reasonably estimate the fair value of the distinct benefit received, in which case we record it as a marketing expense. We recognize a liability and reduce revenue for rebates or other incentives based on the estimated amount of rebates or credits that will be claimed by customers.

Product Warranty

We offer a standard product warranty that our products will operate under normal use for a period of one year from the date of original purchase. We also offer extended warranties generally for a period of three years for devices with replaceable batteries. We will either repair or replace the defective product. At the time revenue is recognized, an estimate of future warranty costs is recorded as a component of cost of revenues. Factors that affect the warranty obligation include product failure rates, service delivery costs incurred in correcting the product failures, and warranty policies. Our products are manufactured by contractor manufacturers, and in certain cases, we may have recourse to such contract manufacturers.

Inventory Valuation

Inventories consist of finished goods which are purchased from contract manufacturers. Inventories are stated at the lower of cost or net realizable value, with costs being computed on a weighted average basis. We assess the valuation of inventory and periodically write down the value for estimated excess and obsolete inventory based upon estimates of future demand and market conditions.

Stock-Based Compensation Expense

Tile has an equity incentive plan under which various types of equity-based awards including, but not limited to, incentive stock options, non-qualified stock options, and restricted stock units ("RSUs") may be granted to employees, non-employee directors, and non-employee consultants. Compensation expense is measured and recognized in the consolidated financial statements based on fair value. The fair value of each option award is estimated on the grant date using the Black-Scholes option pricing model. The fair value of stock options that are expected to vest is recognized as compensation expense on a straight-line basis over the requisite service period. The fair value of RSUs is based on the fair value of the common stock on the date of grant. The stock-based compensation expense is based on awards ultimately expected to vest. Forfeitures are recorded as they occur.

Our use of the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the fair value of the underlying common stock, the expected term of the option, the expected volatility

of the price of our ordinary shares, risk-free interest rates and the expected dividend yield. The assumptions used to determine the fair value of the awards represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment.

These assumptions and estimates are as follows:

- ***Expected Term***. The expected term for employees is based on the simplified method, as our stock options have the following characteristics: (i) granted at-the-money; (ii) exercisability is conditioned upon service through the vesting date; (iii) termination of service prior to vesting results in forfeiture; (iv) limited exercise period following termination of service; and (v) options are non-transferable and non-hedgeable, or "plain vanilla" options, and we have limited history of exercise data. The expected term for non-employees is based on the remaining contractual term.
- ***Expected Volatility.*** Since we do not have a trading history of our common stock, the expected volatility is determined based on the historical stock volatilities of our comparable companies. Comparable companies consist of public companies in our industry, which are similar in size, stage of life cycle and financial leverage. We intend to continue to apply this process using the same or similar public companies until a sufficient amount of historical information regarding the volatility of our own share price becomes available, or unless circumstances change such that the identified companies are no longer similar to us, in which case, more suitable companies whose share prices are publicly available would be used in the calculation.
- ***Risk-Free Interest Rate***. We base the risk-free interest rate on the implied yield available on U.S. Treasury zero-coupon issues with a remaining term equivalent to that of the options for each expected term.
- ***Dividend Yield.*** The expected dividend assumption is based on our current expectations about our anticipated dividend policy. As we have no history of paying any dividends and have no plans to pay dividends in the foreseeable future, we used an expected dividend yield of zero.

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

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	Year Ended March 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
			(unaudited)	
Expected term (in years)	5.82 – 6.06	5.63 – 6.30	5.87 – 6.27	5.82 – 6.06
Expected stock price volatility	60% – 62%	51%	59% – 60%	57% – 58%
Risk-free interest rate	0.37% - 0.66%	1.48% - 2.29%	0.93% - 1.00%	0.37% - 0.51%
Dividend yield	0%	0%	0%	0%

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We will continue to use judgment in evaluating the expected volatility and expected term utilized in our share-based compensation expense calculations on a prospective basis.

Income Taxes

We account for income taxes under the asset and liability method. We estimate actual current tax exposure together with assessing temporary differences resulting from differences in accounting for reporting purposes and tax purposes for certain items, such as accruals and allowances not currently deductible for tax purposes. These temporary differences result in deferred tax assets and liabilities, which are included in our balance sheet. In general, deferred tax assets represent future tax benefits to be received when certain expenses previously recognized in our statements of operations and comprehensive loss become deductible expenses under applicable income tax laws or when net operating loss or credit carryforwards are utilized. Accordingly, realization of our deferred tax assets is dependent on future taxable income against which these deductions, losses and credits can be utilized.

We must assess the likelihood that our deferred tax assets will be recovered from future taxable income, and to the extent we believe that recovery is not likely, we establish a valuation allowance. The assessment of whether or not a valuation allowance is required often requires significant judgment including current and historical operating results, the forecast of future taxable income and on-going prudent and feasible tax planning initiatives. Should the actual amounts differ from estimates, the amount of valuation allowance could be materially impacted. Any adjustment to the deferred tax asset valuation allowance would be recorded in the consolidated statement of operations for the periods in which the adjustment is determined to be required.

Recent Accounting Pronouncements

See Note 2, "Summary of Significant Accounting Policies" to our consolidated financial statements included elsewhere in this Registration Statement for recently adopted accounting pronouncements.

ITEM 3. PROPERTIES.

Our company is headquartered in San Francisco, California. Our headquarters facility currently accommodates our principal, development, engineering, marketing and administrative activities. We also maintain office spaces in San Mateo and San Diego, California. Through the acquisition of Jiobit, we now also maintain an office in Chicago, Illinois, which includes employee office space. All of our facilities are leased. Beginning in 2020 at the start of the COVID-19 pandemic, we began operating as a remote-first company with plans to continue as such indefinitely. We believe that our current facilities are adequate to meet our current needs and that, should it be needed, suitable additional or alternative space will be available to accommodate our operations.

ITEM 4. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

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The following table sets forth certain information regarding the beneficial ownership of common stock (including shares underlying all issued and outstanding CDIs) as of May 31, 2022, of the Company by (i) each person who, to the Company's knowledge, owns more than 5% of its common stock, (ii) each of the Company's named executive officers and directors, and (iii) all of the Company's executive officers and directors as a group. Shares of our common stock subject to options, warrants, or other rights currently exercisable, or exercisable within 60 days of May 31, 2022, are deemed to be beneficially owned and outstanding for computing the share ownership and percentage of the person holding such options, warrants or other rights, but are not deemed outstanding for computing the percentage of any other person. As of May 31, 2022, the Company had 61,891,465 shares of common stock issued and outstanding, including all shares of common stock underlying issued and outstanding CDIs. Unless otherwise indicated below, the address for each beneficial owner is c/o Life360, Inc., 539 Bryant Street, Suite 402, San Francisco, CA 94107.

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Name of beneficial owner	Number of shares of common stock beneficially owned(1)	Percentage of common stock beneficially owned
Directors and named executive officers:		
Chris Hulls(2)	4,580,754	7.2%
David Rice(3)	662,643	1.1%
Samir Kapoor(4)	240,812	*
John Philip Coghlan(5)	336,894	*
Mark Goines(6)	247,973	*
Alex Haro(7)	2,576,931	4.1%
Brit Morin(8)	118,739	*
Charles (CJ) Prober	16,481	*
James Synge(9)	644,389	1.0%
David Wiadrowski(10)	41,896	*
Randi Zuckerberg(11)	18,583	*
All directors and executive officers as a group (14 individuals)(12)	9,733,726	14.9%

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* Indicates ownership of less than 1%.

(1) Includes shares of common stock underlying issued and outstanding CDIs.

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(2) Represents (i) 1,229,709 shares of our common stock held directly by Mr. Hulls; (ii) 1,686,552 shares of our common stock underlying 5,059,656 CDIs; (iii) 29,960 shares of our common stock underlying 89,880 CDIs held indirectly through ICCA Labs, LLC; (iv) 1,604,186 shares underlying options to purchase common stock that are exercisable within 60 days of May 31, 2022; (v) 4,968 shares underlying restricted stock units that will vest within 60 days of May 31, 2022 but will not be issued within 60 days of May 31, 2022 for administrative reasons; and (vi) 25,379 shares underlying restricted stock units that vested in February, March, April and May 2022 but have not been issued yet for administrative reasons. 1,405,575 shares of Life360 common stock held by Mr. Hulls have been pledged as security for a loan, pledge and option agreement with Life360.

(3) Represents (i) 10,404 shares of our common stock; (ii) 317,570 shares of our common stock underlying 952,710 CDIs; (iii) 327,032 shares underlying options to purchase common stock that are exercisable within 60 days of May 31, 2022; (iv) 3,298 shares underlying restricted stock units that will vest and settle within 60 days of May 31, 2022 but will not be issued within 60 days of May 31, 2022 for administrative reasons; and (v) 4,339 shares underlying restricted stock units that vested in March, April and May 2022 but have not been issued yet for administrative reasons.

(4) Represents (i) 2,984 shares of our common stock; (ii) 226,962 shares underlying options to purchase common stock that are exercisable within 60 days of May 31, 2022; (iii) 4,590 shares underlying restricted stock units that will vest within 60 days of May 31, 2022 but will not be issued within 60 days of May 31,

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2022 for administrative reasons; and (iv) 6,276 shares underlying restricted stock units that vested in March, April and May 2022 but have not been issued yet for administrative reasons.

(5) Represents (i) 46,154 shares of our common stock held directly by Mr. Coghlan; (ii) 34,893 shares of our common stock held indirectly through the John Coghlan Living Trust; (iii) 35 shares of our common stock underlying 107 CDIs held by Mr. Coghlan; (iv) 255,229 shares underlying options to purchase common stock that are exercisable within 60 days of May 31, 2022; and (v) 583 shares underlying restricted stock units that will vest within 60 days of May 31, 2022 but will not be issued within 60 days of May 31, 2022 for administrative reasons.

(6) Represents (i) 47,816 shares of our common stock held directly by Mr. Goines; (ii) 187,589 shares of our common stock underlying 562,767 CDIs held indirectly through the Goines Wong Living Trust; (iii) 12,101 shares underlying options to purchase common stock that are exercisable within 60 days of May 31, 2022; and (iv) 467 shares underlying restricted stock units that will vest within 60 days of May 31, 2022 but will not be issued within 60 days of May 31, 2022 for administrative reasons.

(7) Represents (i) 1,778,679 shares of our common stock held directly by Mr. Haro; (ii) 380,229 shares of our common stock underlying 1,140,687 CDIs; (iii) 30,635 shares of our common stock underlying 91,905 CDIs held indirectly through ICCA Labs, LLC; (iv) 386,938 shares underlying options to purchase common stock that are exercisable within 60 days of May 31, 2022; and (v) 450 shares underlying restricted stock units that will vest within 60 days of May 31, 2022 but will not be issued within 60 days of May 31, 2022 for administrative reasons. 1,224,007 shares of Life360 common stock held by Mr. Haro have been pledged as security for a loan, pledge and option agreement with us.

(8) Represents (i) 12,679 shares of our common stock; (ii) 105,610 shares underlying options to purchase common stock that are exercisable within 60 days of May 31, 2022; and (iii) 450 shares underlying restricted stock units that will vest within 60 days of May 31, 2022 but will not be issued within 60 days of May 31, 2022 for administrative reasons.

(9) Represents (i) 16,416 shares of our common stock held directly by Mr. Synge; (ii) 480,347 shares of our common stock underlying 1,441,041 CDIs; (iii) 64,379 shares of common stock underlying 193,137 CDIs held indirectly through ICCA Labs, LLC; (iv) 70,573 shares of common stock underlying 211,720 CDIs held indirectly through Stynge Pty Ltd ATF Sandy Bay Trust; (v) 12,203 shares underlying options to purchase common stock that are exercisable within 60 days of May 31, 2022; and (vi) 471 shares underlying restricted stock units that will vest within 60 days of May 31, 2022 but will not be issued within 60 days of May 31, 2022 for administrative reasons.

(10) Represents (i) 19,256 shares of our common stock held directly by Mr. Wiadrowski; (ii) 8,256 shares of our common stock underlying 24,768 CDIs; (iii) 13,850 shares underlying options to purchase common stock that are exercisable within 60 days of May 31, 2022; and (iv) 534 shares underlying restricted stock units that will vest within 60 days of May 31, 2022 but will not be issued within 60 days of May 31, 2022 for administrative reasons.

(11) Represents (i) 2,011 shares of our common stock held directly by Ms. Zuckerberg; (ii) 16,101 shares underlying options to purchase common stock that are exercisable within 60 days of May 31, 2022; and (iii) 471 shares underlying restricted stock units that will vest within 60 days of May 31, 2022 but will not be issued within 60 days of May 31, 2022 for administrative reasons.

(12) Represents (i) 3,217,482 shares of our common stock; (ii) 3,256,125 shares of our common stock underlying 9,768,378 CDIs; (iii) 3,204,566 shares underlying options to purchase common stock that are exercisable within 60 days of May 31, 2022; (iv) 14,495 shares underlying restricted stock units that will vest and settle within 60 days of May 31, 2022 but will not be issued within 60 days of May 31, 2022 for administrative reasons; and (v) 41,058 shares underlying restricted stock units that vested in February, March, April and May 2022 but have not been issued yet for administrative reasons held by our executive officers and directors as a group.

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ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS.

MANAGEMENT

Executive Officers and Directors

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The following table sets forth certain information regarding our current directors and executive officers as of May 31, 2022.

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Name	Age	Position
Chris Hulls	38	Co-Founder, Chief Executive Officer and Director
Russell Burke	61	Chief Financial Officer
David Rice	54	Chief Operating Officer
Samir Kapoor	51	Chief Technology Officer
Carrie Cronkey	44	Chief Marketing Officer
Kirsten Daru	45	Chief Privacy Officer, General Counsel and Corporate Secretary
Charles (CJ) Prober	51	Director, Chief Executive Officer of Tile*
John Philip Coghlan	71	Director
Mark Goines	68	Director
Alex Haro	36	Director
Brit Morin	36	Director
James Synge	54	Director
David Wiadrowski	62	Director
Randi Zuckerberg	40	Director

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* Tile is a subsidiary of Life360

Chris Hulls co-founded Life360 in April 2007 and has served as Life360's Chief Executive Officer and a member of Life360's Board since then. Mr. Hulls has been an angel investor in, or an advisor to, several technology companies, including Tile, Inc., Credible Behavioral Health, Inc., Ring LLC, Automattic Inc., Honk Technologies, Inc. and Zendrive Inc. Mr. Hulls received his Bachelor of Science in Business Administration with Highest Honors at the University of California, Berkeley after serving in the United States Air Force. Mr. Hulls has served on the Board since the Company's formation and has remained on the Board due to the deep institutional knowledge he brings as Co-Founder and Chief Executive Officer of the Company and his business and technology company experience.

Russell Burke has served as Life360's Chief Financial Officer since May 2020. Prior to joining Life360, Mr. Burke served as the Chief Financial Officer of Fandor LLC, a subscription-based streaming service, from August 2017 to December 2018. Prior to that, he served as Chief Financial Officer at Globality, Inc., a business-to-business services marketplace, from July 2015 to July 2017. Mr. Burke also previously served as Chief Financial Officer of Mandalay Media, Inc., Magic Leap, Inc. and as Regional Chief Executive Officer of Weight Watchers Australia and New Zealand and held senior financial positions at Sony Music Entertainment. Mr. Burke received his Bachelor of Commerce from the University of Newcastle (Australia) and is a Chartered Accountant in Australia and New Zealand.

David Rice has served as Life360's Chief Operating Officer since December 2017 and previously served as Chief Product Officer from October 2015 to December 2017. Prior to Life360, Mr. Rice was Chief Product Officer at Vevo LLC, Senior Vice President/General Manager at CBS Interactive Inc., and Vice President of Product at Yahoo Inc. Mr. Rice received his Bachelor of Arts in Business Economics and Japanese from the University of California, Santa Barbara and Master of Business Administration from Harvard Business School.

Samir Kapoor has served as Life360's Chief Technology Officer since September 2019. He currently also serves on the advisory board of DNX Ventures, an early stage venture capital firm that is focused on B2B

startups. Prior to joining Life360, Mr. Kapoor served as the Executive Vice President of Engineering and Product of Swift Navigation, Inc. from March 2018 to September 2019. Prior to that, he served as Senior Vice President of Engineering at Fitbit Inc. from March 2017 to March 2018 and Vice President of Engineering from June 2016 to March 2017. Prior to that, he served as Vice President of Engineering at Qualcomm Technologies, Inc. from 2010 to 2016. Mr. Kapoor served on the board of directors of Qubercomm Technologies, Inc. from August 2018 to December 2021. Mr. Kapoor received his undergraduate degree in Electrical Engineering from the Indian Institute of Technology, Bombay, his Master of Science in Electrical Engineering from Washington State University, Pullman, his Master of Business Administration from the Wharton School at the University of Pennsylvania and his Ph.D. in Electrical Engineering from the University of Notre Dame. Mr. Kapoor developed and holds over 50 U.S. patents granted or pending for his innovations.

Carrie Cronkey has served as Life360's Chief Marketing Officer since September 2021. Prior thereto, Ms. Cronkey held several positions at Care.com, Inc. from September 2017 to September 2021, including, most recently, as Chief Marketing Officer. Prior thereto, she served as a business development consultant to Narrative I/O, Inc., as Vice President of Business Operations for Move Loot Inc., in various positions at Citrus Lane, Inc., as Director for Business Development and Strategy for Intuit Mint (f/k/a Mint Software Inc.) and as Director of Development and Strategy for Yahoo Inc. Ms. Cronkey earned her Bachelor of Arts in Economics from Duke University and Master of Business Administration from Columbia Business School.

Kirsten Daru has served as Life360's Chief Privacy Officer, General Counsel and Corporate Secretary since January 2022. Prior to joining Life360, Ms. Daru served as the Chief Legal and Privacy Officer at Tile, Inc. from October 2021 to January 2022 and as the General Counsel from March 2019 to October 2021. Prior to that, she served as in-house counsel for Electronic Arts Inc. (NASDAQ: EA) between March 2008 and March 2019, ending her tenure there with the title of Chief Privacy Officer. Since September 2020, Ms. Daru has served on the board of directors for the Coalition for App Fairness. In June 2021, she was named one of the Top 50 Women Lawyers in America by the National Diversity Council. In August 2018, she received the National Women in Law Award from Corporate Counsel. Ms. Daru received her Bachelor of Arts from the University of California, Davis and her law degree from the University of San Francisco School of Law, where she graduated magna cum laude.
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Charles (CJ) Prober has served as a member of Life360's Board since January 2022 and serves as the Chief Executive Officer of the Company's subsidiary Tile, Inc. Mr. Prober served as the Chief Executive Officer of Tile, Inc. from September 2018 until its acquisition by Life360 and as a member of Tile's board since February 2018, including as its Executive Chairman from February 2018 to September 2018. Prior thereto, he served as the Chief Operating Officer of GoPro, Inc. (NASDAQ: GPRO) from January 2017 to February 2018 and its Senior Vice President of Software and Services from June 2014 to December 2016. Mr. Prober has also held positions at Electronic Arts Inc. (NASDAQ: EA), McKinsey & Company and Wilson Sonsini Goodrich & Rosati. Mr. Prober has also served as a member of the board of directors of SciPlay Corporation since May 1, 2022. He has served on the board of Alloy Technologies Inc. since January 2019. Mr. Prober received his Bachelor of Commerce from the University of Manitoba and a Bachelor of Laws from McGill University. Mr. Prober was selected to serve on the Board due to his institutional knowledge as the Chief Executive Officer of Tile, Inc and his expertise in the mobile app and technology industry.
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John Philip Coghlan has served as a member of Life360's Board since 2009. In February 2017, Mr. Coghlan co-founded the Rivet School, a non-profit start-up focused on providing debt-free college degree attainment, where he currently serves as a board member. Mr. Coghlan previously served as President and Chief Executive Officer of Visa U.S.A. and as Vice Chairman of the Charles Schwab Corporation (NYSE: SCHW). He received a Bachelor of Arts in Psychology from Stanford, a Master's degree in Public and International Affairs from Princeton University and a Master of Business Administration from Harvard Business School. Mr. Coghlan was selected to serve on the Board due to his experience as an executive and board member of multiple large companies.

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Mark Goines has served as a member of Life360's Board since April 2019. Mr. Goines has served as the Chief Financial Officer and Executive Vice President of Strategic Planning of Credit Interlink, Inc., since 2001, and as its Vice Chairman, since 2011, before its merger with Ascend Companies, Inc. Mr. Goines has served as Treasurer and Chief Financial Officer of Ascend Companies, Inc. He has served as the Chief Strategy Officer of Personal Capital Corporation from January 2012 to September 2020, its Chief Marketing Officer from June 2014 to June 2016 and its Vice Chairman from June 2016 to September 2020. He currently serves on the boards of several private technology and app-building companies, including BillFloat, Inc., Odeko, LLC, Credit Interlink, Inc., Candex Solutions Inc., Human Interest, Inc., Jasper Credit and Bloom Credit Inc. Mr. Goines earned his Bachelor of Science and Master of Business Administration from the University of California, Berkeley. Mr. Goines was selected to serve on the Board due to his executive experience and industry expertise gained from serving on the board of multiple growth focused technology and app-building companies.

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Alex Haro co-founded Life360, has served as a member of Life360's Board since August 2008 and previously served as Life360's President from June 2014 to January 2020 and Chief Technology Officer from April 2007 to December 2020. Since October 2021, he has served as a board member and executive chairman for Hubble Network Inc. In January 2020, Mr. Haro co-founded and currently serves as the Chief Technology Officer and board member of MyMoneyKarma Infomatics India Private Limited. In 2015, Mr. Haro was recognized by Forbes 30 Under 30 in Consumer Technology. Prior to Life360, he worked on Orbited. Mr. Haro studied Computer Science at Pomona College. Mr. Haro was selected to serve on the Board due to his institutional knowledge as a Co-Founder and former Chief Technology Officer, as well as his extensive technology industry experience.

Brit Morin has served as a member of Life360's Board since January 2018. Ms. Morin founded BFF, a community for the crypto-curious in January 2022, Offline Ventures, G.P., a venture fund, in March 2020 and is the founder, chief executive officer and board member of Brit Media, Inc., a digital media and commerce brand, founded in 2011. She also previously served on the board of Girl Scouts of America and worked at Google LLC and Apple Inc. (NASDAQ: AAPL). Ms. Morin was named one of Ad Age's 40 Under 40 in 2018, Forbes 30 Under 30 in 2014 and Fortune's Most Promising Entrepreneurs in 2015. Ms. Morin received her Bachelor of Science in Business and Communications summa cum laude from the University of Texas at Austin. Ms. Morin was selected to serve on the Board due to her entrepreneurial experience starting and leading venture capital and consumer internet companies.

James Synge has served as a member of Life360's Board since May 2019 and started as an early investor in 2008. Mr. Synge has also served as a Partner at Carthona Capital FS Pty Ltd, an Australian venture capital fund, since 2014. He has held senior positions at Bankers Trust Company Australia, Deutsche Bank AG Frankfurt and UBS AG Zurich. Mr. Synge holds a Bachelor of Business from the University of Technology Sydney and a Master of Tax from the University of Sydney. Mr. Synge was selected to serve on the Board due to his venture capital experience and extensive financial industry knowledge.

David Wiadrowski has served as a member of Life360's Board since March 2019. Mr. Wiadrowski previously served as Director and Chief Financial Officer of ELEVACAO Foundation, Inc., a global non-profit committed to empowering women entrepreneurs, from July 2016 to July 2017, and prior thereto served in various positions at PricewaterhouseCoopers Australia over a 25 year period, including as Partner and Chief Operating Officer. He currently also serves on the boards of two other Australian listed companies including: oOh! Media Limited (ASX: OML) and Carsales.com Limited (ASX: CAR) and on the boards of several private companies including the Cambodian Children's Fund, WageSplitter Pty Limited, Shadow Wood Nominees Pty Limited, Chrismanda Pty Limited, Sevem Sails Pty Limited and Drowski Pty Limited. He holds a Bachelor of Commerce from the University of New South Wales, is a Fellow of the Chartered Accountants of Australia and New Zealand and is a graduate of the Australian Institute of Company Directors. Mr. Wiadrowski was selected to serve on the Board due to his financial industry expertise and experience serving on the boards of several Australian public companies.

Randi Zuckerberg has served as a member of Life360's Board since January 2021. Ms. Zuckerberg currently works with more than 20 early and mid-stage companies as an investor and advisor. She serves as a member of the boards of several companies including Athena Technology Acquisition Corp. II (NYSE: ATEK), a special purpose acquisition company, Go Noodle, Inc. and The Motley Fool, LLC. Additionally, she has served as a strategic advisor to Open Deal Portal LLC (d/b/a, Republic) since February 2021 and OkCoin, Inc. since September 2021. Over the course of her career, she has helped families navigate the digital world. Through the company she founded in 2012, Zuckerberg Media, she has created award-winning content and experiences that educate families and bring to light issues around digital literacy and safety. Ms. Zuckerberg is the best-selling author of four books, producer of multiple television shows and theater productions, and she hosts a weekly radio show on SiriusXM. Ms. Zuckerberg has been recognized with an Emmy nomination, two Tony awards, a Drama Desk Award, and a Kidscreen Award. Prior to founding her own company, Ms. Zuckerberg was an early employee at Facebook, where she created Facebook Live. She holds a Bachelor of Arts in Psychology from Harvard University.
Ms. Zuckerberg was selected to serve on the Board due to her extensive background investing in and advising technology and public companies.

Board Composition

The election of the members of our Board is currently governed by our Certificate of Incorporation.

Family Relationships

None.

Board Committees

The Company has established an Audit and Risk Management Committee and Remuneration and Nominations Committee. The Audit and Risk Management Committee oversees the Company's corporate accounting and financial reporting, including auditing of the Company's financial statements and the qualifications, independence, performance and terms of engagement of the Company's external auditor. This committee is also responsible for monitoring and advising the Board on risk management policies and procedures. The Remuneration and Nomination Committee establishes, amends, reviews and approves the compensation and equity incentive plans with respect to senior management and employees of the Company including determining individual elements of total compensation of the Chief Executive Officer and other members of senior management. The Remuneration and Nomination Committee is also responsible for reviewing the performance of the Company's executive officers with respect to these elements of compensation as well as recommending the director nominees for each annual general meeting and ensuring that the committees of the Board have the benefit of qualified and experienced directors.

Code of Conduct

We have adopted a code of conduct that applies to our directors, officers, and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Our code of conduct is on the investor relations portion of our website at investors.life360.com.

ITEM 6. EXECUTIVE COMPENSATION.

Summary Compensation Table

The following table presents information regarding the total compensation awarded to, earned by, and paid to our named executive officers for services rendered to Life360, Inc. in all capacities during the year that ended December 31, 2021.

Name and Principal Position	Fiscal Year	Salary ($) (1)	Option Awards ($) (2)	Stock Awards ($) (2)	Non-Equity Incentive Plan Compensation ($) (3)	All Other Compensation ($) (4)	Total ($)
Chris Hulls							
Co-Founder, Executive Director, & CEO	2021	393,333	480,131	667,500	262,500	3,600	1,807,064
David Rice							
Chief Operating Officer	2021	362,500	332,214	444,500	175,500	3,600	1,318,314
Samir Kapoor							
Chief Technology Officer	2021	350,000	171,186	245,198	110,000	3,600	879,984

(1) Amounts reflect salary actually paid during the applicable calendar year.
(2) Option awards and restricted stock unit awards are reported at aggregate grant date fair value in the year granted, as determined in accordance with the provisions of FASB ASC Topic 718. For the assumptions used in valuing these awards for purposes of computing this expense, please see Note 15 of the financial statements of Life360 for the year ended December 31, 2021.
(3) Amounts reflect cash bonus amounts earned pursuant to the Life360 Compensation Plan for Board Directors and Company Leadership, discussed in greater detail below.
(4) Amounts reflect company 401(k) contributions.

Narrative Disclosure to Summary Compensation Table

For 2021, the compensation program for named executive officers consisted of base salary, cash and equity-based incentive compensation, and certain standard employee benefits.

Base Salary

Base salary for each named executive officer is set at a level that is commensurate with the executive's duties and authorities, contributions, prior experience and sustained performance. Our named executive officers are parties to offer letters, each described further below, which set forth base salary entitlements. As of December 31, 2021, the annual base salaries applicable to our named executive officers were as follows: Mr. Hulls, $400,000, Mr. Rice, $365,000, and Mr. Kapoor, $350,000.

Life360 Compensation Plan for Board Directors and Company Leadership

In January 2020 we adopted the Life360 Compensation Plan for Board Directors and Company Leadership, an annual bonus plan pursuant to which members of the leadership team (including our executive directors) identified by the Remuneration and Nomination Committee may be eligible to receive a cash bonus. The amount of the cash bonus will depend on the plan participant's performance during the relevant financial year and will be calculated as a percentage (between 0% to 200%) of the participant's target bonus amount. This target bonus amount will be determined by the Remuneration and Nomination Committee at the start of each year. For example, a participant with a target bonus amount of $50,000 could be entitled to a bonus of, depending on performance, between $0 to $100,000.

The achievement of the target cash bonus amount is subject to the satisfaction of two performance conditions. The target payout is generally linked 50% to the achievement of specific targets as against key

performance indicators for that year and 50% to qualitative measures (such as individual or organizational behavior) for that year. An employee's entitlement to a bonus will be assessed, and any bonuses will be paid, bi-annually following completion of our regular performance review process. The Board retains absolute discretion in determining whether bonus payments (in whole or in part) are to be made, and the amount to be paid (namely, between 0% to 200% of the target bonus amount).

The annual cash bonuses awarded to each named executive officer for 2021 performance pursuant to the Life360 Compensation Plan for Board Directors and Company Leadership are set forth above in the Summary Compensation Table in the column titled "Non-Equity Incentive Plan Compensation," provided, however, that if, in the Board's exercise of discretion, an amount is paid over and above the amounts earned by meeting the performance measures in the plan, that excess amount (if any) shall be set forth above in the Summary Compensation Table in a column titled "Bonus."

2021 Equity Awards

In 2021, each of Messrs. Hulls and Rice received a stock option to purchase 100,000 shares of common stock and 50,000 restricted stock units ("RSUs"), and Mr. Kapoor received a stock option to purchase 32,000 shares of common stock and 17,254 RSUs, in each case pursuant to the terms of our Amended and Restated 2011 Stock Plan (the "Stock Plan") and each as set forth below in the Outstanding Equity Awards as of Fiscal Year End table.

Retention Bonus Agreements

We have entered into retention bonus agreements with each of Christopher Hulls and David Rice, providing that the executives will receive cash bonuses of $304,000 and $100,000, respectively, in each case subject to their continued employment with us through December 31, 2022, or our earlier termination of their employment other than (i) for Cause (as defined in his Retention Bonus Agreement) or (ii) due to his death or disability; provided that their retention bonuses will also be payable in the event we experience a Change in Control (as defined in the Stock Plan).

Benefits and Perquisites

We provide benefits to our named executive officers on the same basis as provided to all of our employees, including health, dental and vision insurance; life and disability insurance; and various tax-saving benefits such as a healthcare flexible spending account, a dependent care flexible spending account, a health savings account, a 401(k) plan and commuter benefits.

Employment Arrangements

Christopher Hulls Employment Agreement

On May 14, 2019, we and Mr. Hulls entered into an employment agreement. Pursuant to this agreement, Mr. Hulls was entitled to a base salary of $300,000, which was increased to $400,000 for fiscal year 2021. Mr. Hulls is eligible to participate in our employee benefit plans and programs. Mr. Hulls's employment is "at-will," provided that we are required to give Mr. Hulls at least six (6) months' notice in the event of our termination of Mr. Hulls's employment without Cause (as defined therein), which excludes terminations due to death or disability.

David Rice Employment Agreement

On October 29, 2015, we and Mr. Rice entered into an offer letter. Pursuant to this agreement, Mr. Rice was entitled to a base salary of $350,000, which was increased to $365,000 for fiscal year 2021. Mr. Rice is eligible to participate in our employee benefit plans and programs. Mr. Rice also received an option to purchase 461,238 shares of our common stock, which was scheduled to vest over 4 years, subject to "double-trigger" acceleration protection, and which has at this time become completely vested. For more information regarding this stock option, please see "Outstanding Equity Awards as of Fiscal Year End" below.

Mr. Rice's employment is "at-will," provided that if Mr. Rice is involuntarily terminated or constructively terminated (within the meaning of his offer letter), Mr. Rice will be entitled to a severance payment based on his length of service, which is currently at its maximum potential payout, which is 6 months of base salary.

Samir Kapoor Offer Letter

On September 5, 2019, we and Samir Kapoor entered into an offer letter. Pursuant to this agreement, Mr. Kapoor was entitled to a base salary of $300,000 per year, which was increased to $350,000 for fiscal year 2021. The agreement also provides to an annual bonus of up to $50,000, based 50% on quantitative company performance and 50% on qualitative individual performance. The agreement also provides for (i) a stock option to purchase 250,000 shares of our common stock, which is scheduled to vest over 4 years (and which may be early exercised by promissory note), (ii) an RSU award covering 40,000 shares of common stock, which is scheduled to vest over 4 years, (iii) a second RSU award to be granted in connection with certain performance conditions, covering 25,000 shares of common stock, which is scheduled to vest over 4 years, and (iv) an annual RSU award with a $25,000 value on the first anniversary of Mr. Kapoor's start date and the three annual anniversaries thereafter. For more information regarding these equity awards, please see "Outstanding Equity Awards as of Fiscal Year End" below.

Mr. Kapoor is eligible to participate in our employee benefit plans and programs, and his employment is "at-will" and may be terminated by either party at any time, without case or notice. Mr. Kapoor's employment agreement provides for a $200 monthly benefit allowance, which ceased to apply in 2021 in connection with the company commencing 401(k) employer matches.

Outstanding Equity Awards as of Fiscal Year End

The following table sets forth information regarding each unexercised stock award held by each named executive officer as of December 31, 2021.

		Option Awards				Stock Awards	
Name	Grant Date	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Option exercise price ($)	Option expiration date	Number of shares or units of stock that have not vested (#)	Market value of shares of units of stock that have not vested ($)(1)
Chris Hulls	10/24/2017(2)	208,987	—	2.15	10/24/27	—	—
Chris Hulls	07/16/2018(3)	1,084,267	185,119	2.53	07/16/28	—	—
Chris Hulls	10/30/2018(2)	10	—	9.55	10/30/28	—	—
Chris Hulls	07/30/2020(4)	95,833	134,167	7.28	07/30/30	—	—
Chris Hulls	04/07/2020(5)	—	—	—	—	16,486	348,844
Chris Hulls	02/02/2021(6)	20,833	79,167	13.35	02/01/31	39,584	837,597
David Rice	09/20/2016(2)	100,000	—	0.18	09/20/26	—	—
David Rice	10/24/2017(2)	125,392	—	2.15	10/24/27	—	—
David Rice	10/30/2018(2)	10	—	9.55	10/30/28	—	—
David Rice	04/07/2020(7)	52,500	67,500	4.35	04/07/30	—	—
David Rice	02/02/2021(6)	14,333	79,167	8.89	02/02/31	39,584	837,597
Samir Kapoor	09/15/2019(8)	100,560	78,215	7.02	09/15/29	—	—
Samir Kapoor	10/07/2019(9)	40,064	31,161	7.07	10/07/29	17,500	370,300
Samir Kapoor	04/07/2020(10)	35,000	45,000	4.35	04/07/30	—	—
Samir Kapoor	10/06/2020(11)	—	—	—	—	4,688	99,198
Samir Kapoor	06/08/2021(12)	3,999	28,001	13.9	06/08/31	14,001	296,261

(1) Values are based on the closing price of our CDIs on the Australian Securities Exchange on December 31, 2021 (AUD$9.71), multiplied by the number of CDIs representing beneficial ownership in one share of common (3), multiplied by the AUD:USD conversion rate as in effect on December 31, 2021, as reported by Wall Street Journal (1:0.7265).

(2) Represents a grant of stock options that were entirely vested as of December 31, 2021.
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(3) Represents a grant of 1,269,386 stock options, the remainder of which is scheduled to vest in equal monthly installments from January 2, 2022 through July 2, 2022, subject to the holder's continued service on each vesting date.
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(4) Represents a grant of 230,000 stock options that vest, the remainder of which is scheduled to vest in equal monthly installments from January 10, 2022, through April 10, 2024, subject to the holder's continued service on each vesting date.
(5) Represents a grant of 49,453 RSUs that vested as to 1/3 of the underlying shares on the date of grant, 1/3 on the one-year anniversary thereof, and which are scheduled to vest as to the remaining 1/3 on April 7, 2022, subject to the holder's continued service on each vesting date; provided that if a Change of Control (as defined in the Stock Plan) occurs and following such Change of Control, the holder's job or compensation would materially and adversely change relative to the job or compensation, as applicable, in effect prior to such Change of Control (but not in the event of the holder's termination or other circumstances), 100% of the then-unvested RSUs shall be vested immediately.
(6) Represents a grant of 100,000 stock option shares (of which Mr. Rice has exercised 6,500 stock option shares) and 50,000 RSUs that each vest in equal monthly installments over four years from February 1, 2021, subject to the holder's continued service on each vesting date.
(7) Represents a grant of 120,000 stock option shares that vest in equal monthly installments over 4 years from March 1, 2020, subject to the holder's continued service on each vesting date.
(8) Represents a grant of 178,775 stock option shares that vested and became exercisable on the one-year anniversary from September 11, 2019, and which are scheduled to vest as to 1/48 of the total grant on each monthly anniversary thereafter, subject to the holder's continued service on each vesting date.
(9) Represents a grant of 71,225 stock option shares and 40,000 RSUs that each vest as to 1/4 of the underlying shares on the one year anniversary from September 11, 2019, and which are scheduled to vest as to 1/48 of the total grant on each monthly anniversary thereafter, subject to the holder's continued service on each vesting date.
(10) Represents a grant of 80,000 stock option shares that vest in equal monthly installments over 4 years from March 1, 2020, subject to the holder's continued service on each vesting date.
(11) Represents a grant of 25,000 RSUs that vested as to 1/4 of the underlying shares on the date of grant and that are scheduled to vest as to 1/48 of the granted shares on each monthly anniversary from September 30, 2019, subject to the holder's continued service on each vesting date.
(12) Represents a grant of 32,000 stock option shares and 16,000 RSUs that each vest in equal monthly installments over four years from June 1, 2021, subject to the holder's continued service on each vesting date.

Equity Plans

Stock Plan

The Stock Plan, as most recently amended and restated, was approved by our Board on March 10, 2020, and approved by our stockholders July 30, 2020.

Purpose

The purposes of the Stock Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees and consultants, and to promote the success of our business.

Types of Stock Awards

The Stock Plan permits the grant of incentive stock options, nonstatutory stock options, restricted stock, and restricted stock units (all such types of awards, collectively, "stock awards").

Share Reserve

Number of Shares

Subject to adjustments as set forth in the Stock Plan, the maximum aggregate number of shares of common stock that may be issued under the Stock Plan is 24,283,359 shares. The shares may be authorized, but unissued, or reacquired shares. Furthermore, subject to adjustments as set forth in the Stock Plan, in no event shall the maximum aggregate number of shares that may be issued under the Stock Plan pursuant to incentive stock options exceed the number set forth above plus, to the extent allowable under Section 422 of the U.S. Tax Code and the regulations promulgated thereunder, any shares that again become available for issuance pursuant to the Stock Plan.

The number of shares of common stock available for issuance under the Stock Plan will be increased on January 1 of each year, commencing with January 1, 2021, in an amount equal to the lessor of (i) five percent (5%) of the outstanding Shares on the last day of the immediately preceding December 31, (ii) 5,000,000 Shares and (iii) such number of Shares determined by the Board.

Lapsed Awards

To the extent a stock award expires or is forfeited or becomes unexercisable for any reason without having been exercised in full, the unissued shares that were subject thereto shall, unless the Stock Plan shall have been terminated, continue to be available under the Stock Plan for issuance pursuant to future stock awards. In addition, any Shares which we retain upon exercise of a stock award in order to satisfy the exercise or purchase price for such stock award or any withholding taxes due with respect to such stock award shall be treated as not issued and shall continue to be available under the Stock Plan for issuance pursuant to future stock awards. Shares issued under the Stock Plan and later forfeited to us due to the failure to vest or repurchased by us at the original purchase price paid to us for the shares (including without limitation upon forfeiture to or repurchase by us in connection with a participant ceasing to be a service provider) shall again be available for future grant under the Stock Plan.

Eligibility

Employees, directors and independent contractors of us or our affiliates are all eligible to participate in the Stock Plan. Incentive stock options may only be granted to employees.

Administration

The Stock Plan is administered by the Board or a committee thereof, which committee will be constituted to satisfy applicable laws (the "Administrator"). Subject to the terms of the Stock Plan, the Administrator has the authority, in its discretion, to (i) determine the fair market value in accordance with the Stock Plan; (ii) select the service providers to whom stock awards may be granted under the Stock Plan; (iii) determine the number of shares to be covered by each stock award granted under the Stock Plan; (iv) approve forms of stock award agreements for use under the Stock Plan; (v) determine the terms and conditions, not inconsistent with the terms of the Stock Plan, of any stock award granted thereunder; (vi) amend any outstanding stock award or agreement related to any Optioned Stock, Restricted Stock or Restricted Stock Unit, including any amendment adjusting; (vii) determine whether and under what circumstances an Option may be settled in cash; (viii) approve addenda or grant stock awards to, or to modify the terms of, any outstanding Option Agreement, Restricted Stock Purchase Agreement, Restricted Stock Unit Agreement, or any agreement related to any Optioned Stock, Restricted Stock or Restricted Stock Units; (ix) construe and interpret the terms of the Stock Plan, any Option Agreement, Restricted Stock Purchase Agreement, or Restricted Stock Unit Agreement and any agreement related to any Optioned Stock, Restricted Stock or Restricted Stock Units, which constructions, interpretations and decisions shall be final and binding on all Participants

Stock Options

Each stock option will be designated in the stock award agreement as either an incentive stock option (which is entitled to favorable tax treatment) or a nonstatutory stock option. However, notwithstanding such designation, to the extent that the aggregate fair market value of the shares with respect to which incentive stock options are exercisable for the first time by the participant during any calendar year exceeds $100,000, such stock options will be treated as nonstatutory stock options. Incentive stock options may only be granted to our employees.

The term of each stock option will be stated in the stock award agreement. In the case of an incentive stock option, the term will be 10 years from the date of grant or such shorter term as may be provided in the stock award agreement. Moreover, in the case of an incentive stock option granted to a participant who owns stock representing more than 10% of the total combined voting power of all classes of our stock or the stock of any subsidiary, the term of the incentive stock option will be five years from the date of grant or such shorter term as may be provided in the stock award agreement.

The per share exercise price for the shares to be issued pursuant to exercise of a stock option will be determined by the Administrator, subject to the following: in the case of an incentive stock option (i) granted to an employee who, at the time the incentive stock option is granted, owns stock representing more than 10% of the voting power of all classes of our stock or the stock of any subsidiary, the per share exercise price will be no less than 110% of the fair market value per share on the date of grant; and (ii) granted to any other employee, the per share exercise price will be no less than 100% of the fair market value per share on the date of grant. In the case of a nonstatutory stock option, the per share exercise price will be no less than 100% of the fair market value per share on the date of grant. Notwithstanding the foregoing, stock options may be granted with a per share exercise price of less than 100% of the fair market value per share on the date of grant pursuant to a corporate reorganization, liquidation, etc., described in the U.S. Tax Code Section 424(a).

At the time a stock option is granted, the Administrator will fix the period within which the stock option may be exercised and will determine any conditions that must be satisfied before the stock option may be exercised. The Administrator will also determine the acceptable form of consideration for exercising a stock option, including the method of payment.

If a participant ceases to be a service provider other than for "Cause," as defined in the Stock Plan, the participant may exercise his or her stock option within such period of time as is specified in the stock award agreement to the extent that the stock option is vested on the date of termination (but in no event later than the expiration of the term of such stock option). In the absence of a specified time in the stock award agreement, to the extent vested as of a participant's termination, the stock option will remain exercisable for 12 months following a termination for death or disability, and 3 months following a termination for any other reason other than Cause. Any outstanding stock option (including any vested portion thereof) held by a participant shall immediately terminate in its entirety upon the participant being first notified of his or her termination for Cause.

Restricted Stock and RSUs

Restricted stock awards are grants of shares of Company common stock that are subject to various restrictions, including restrictions on transferability and forfeiture provisions. Shares of restricted stock will vest and the restrictions on such shares will lapse in accordance with terms and conditions established by the Administrator. Each RSU is a bookkeeping entry representing an amount equal to the fair market value of one share of our Company common stock.

In determining whether restricted stock or RSUs should be granted, and/or the vesting schedule for such a stock award, the Administrator may impose whatever conditions on vesting as it determines to be appropriate. For example, the Administrator may determine to grant restricted stock or RSUs only if performance goals established by the Administrator are satisfied. Any performance goals may be applied on a Company-wide or an individual business unit basis, as determined by the Administrator.

During the period of restriction, participants holding restricted stock may exercise full voting rights and will be entitled to receive all dividends and other distributions paid. Any dividends or distributions paid with respect to such shares will be subject to the same restrictions, including without limitation restrictions on transferability and forfeitability, as the restricted stock with respect to which they were paid.

During the vesting period, participants holding RSUs will hold no voting rights by virtue of such RSUs. The Administrator may, in its sole discretion, award dividend equivalents in connection with the grant of RSUs that may be settled in cash, in shares of equivalent value, or in some combination thereof. Any dividend equivalents awarded with respect to such RSUs will be subject to the same restrictions, including without limitation restrictions on transferability and forfeitability, as the RSUs with respect to which they were awarded.

Leaves of Absence / Transfer Between Locations

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The Administrator has the discretion to determine at any time whether and to what extent the vesting of stock awards shall be suspended during any leave of absence. A participant will not cease to be an employee in the case of (i) sick leave we approve, (ii) military leave, (iii) any leave of absence approved by the participant's employer or (iv) transfers between our locations or between us and any affiliate. If an employee holds an incentive stock option and such leave exceeds 3 months then, for purposes of incentive stock option status only, such employee's service as an employee shall be deemed terminated on the first day following such 3 month period, and the incentive stock option shall thereafter automatically treated for tax purposes as a nonstatutory stock option in accordance with applicable laws, unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to a written company policy.

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Nontransferability of Stock Awards

Unless determined otherwise by the Administrator, a stock award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the participant, only by the participant. If the Administrator makes a stock award transferable, such stock award will contain such additional terms and conditions as the Administrator deems appropriate.

Effect of a Change in Control

In the event of (i) a transfer of all or substantially all of the company's assets, (ii) a merger, consolidation or other capital reorganization or business combination transaction of the company with or into another corporation, entity or person, or (iii) the consummation of a transaction, or series of related transactions, in which any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of the company's capital stock that represents at least a majority of the voting power of the company's then outstanding capital stock (a "Corporate Transaction"), each outstanding stock award (vested or unvested) will be treated as the Administrator determines, which determination may be made without the consent of any participant and need not treat all outstanding stock awards (or portion thereof) in an identical manner. Such determination, without the consent of any participant, may provide (without limitation) for one or more of the following in the event of a Corporate Transaction: (A) the continuation of such outstanding stock awards by the company (if the company is the surviving corporation); (B) the assumption of such outstanding stock awards by the surviving corporation or its parent; (C) the substitution by the surviving corporation or its parent of new options or equity awards for such stock awards; (D) the cancellation of such stock awards in exchange for a payment to the participants equal to the excess of (1) the fair market value of the shares subject to such stock awards as of the closing date of such Corporate Transaction over (2) any exercise price or purchase price paid or to be paid for the shares subject to the stock awards; or (E) the cancellation of any outstanding options, an outstanding right to purchase Restricted Stock or outstanding RSUs, in any case, for no consideration.

Notwithstanding anything under the Stock Plan, any stock award agreement or otherwise, any escrow, holdback, earn-out or similar provisions agreed to pursuant to, or in connection with, a Corporate Transaction shall, unless otherwise determined by our Board, apply to any payment or other right a participant may be entitled to under the Stock Plan, if any, to the same extent and in the same manner as such provisions apply generally to the holders of our common stock with respect to the Corporate Transaction, but only to the extent permitted by applicable law. In addition, notwithstanding the above, under no circumstances may the terms of any outstanding Option be amended or modified so as to have any of the following effects: (1) reducing the per share exercise price of an Option, (2) increasing the period for exercise of an Option, or (3) increasing the number of shares received on exercise of an Option. Further, any other amendment or modification to the terms of any Option can only be made with stockholder approval or on the provision of a waiver of the official rules of ASX Limited (trading as the Australian Securities Exchange) granted by ASX Limited, and under no circumstances may an Option be cancelled unless (1) stockholder approval has been obtained for the cancellation of the Option, or (2) no consideration is provided to the optionee in connection with the cancellation of the Option.

Amendment, Termination and Duration of the Stock Plan

Subject to the ASX Listing Rules, and any waivers granted by ASX, the Board may at any time amend or terminate the Stock Plan, but no amendment or termination (other than an adjustment pursuant to a Corporate Transaction (as defined in and pursuant to the Stock Plan) shall be made that would materially and adversely affect the rights of any participant under any outstanding Award, without his or her consent. In addition, to the extent necessary and desirable to comply with applicable laws, we will obtain the approval of holders of capital stock with respect to any Stock Plan amendment in such a manner and to such a degree as required.

Compensation of Directors

Under the Company's Bylaws, the directors decide the total amount paid to each Non-Executive Director as remuneration for their services. However, under the ASX Listing Rules, the total amount paid to all Non-Executive Directors must not exceed in any financial year the amount fixed in a general meeting of the Company. This amount is capped under the Bylaws at $1,000,000 per annum. Any increase to the aggregate amount needs to be approved by stockholders. Directors will seek approval of the stockholders from time to time, as appropriate. This aggregate annual sum does not include any special remuneration which our Board may grant to the directors for special exertions or additional services performed by a director for or at the request of the company, which may be made in addition to or in substitution for the director's fees.

We remunerate our directors as follows:

Position	Cash ($) (1)	Equity Value ($) (2)
Board Chair	40,000	100,000
Board Member	30,000	80,000
Audit and Risk Management Committee Chair	5,000	15,000
Audit and Risk Management Committee Member	1,300	3,700
Remuneration and Nomination Committee Chair	2,000	3,000
Remuneration and Nomination Committee Member	1,500	—

(1) Board Chair fee is in lieu of Board Member fee. Committee fees are supplemental to Board or Chair fees.
(2) Equity value is allocated 70% to option value and 30% to RSU value.

The following table presents information regarding the total compensation awarded to, earned by, and paid to our directors (other than our named executive officers) for services rendered to Life360, Inc. during the year ended December 31, 2021.

Name	Fees earned or paid in cash ($) (1)	Stock Awards ($) (2)	Option Awards ($) (3)	Total ($)
John Phillip Coghlan	42,800	31,110	72,590	146,500
Alex Haro (4)	30,000	32,867	76,689	139,556
Brit Morin	31,500	24,000	56,000	111,500
James Synge	31,300	25,110	58,590	115,000
Mark Goines	32,000	24,900	58,100	115,000
David Wiadrowski	35,000	28,500	66,500	130,000
Randi Zuckerberg (5)	31,300	33,135	77,306	141,741

(1) Includes cash stipends for committee service. In 2021, each director received a base fee of $30,000, except for Mr. Coghlan, who received an additional $10,000 for serving as Chair of our Board. In addition, Messrs. Coghlan, Synge, and Ms. Zuckerberg, each received an additional $1,300 for serving as members of our Audit and Risk Management Committee, and Mr. Wiadrowski received an additional $5,000 for serving as the chair of our Audit and Risk Management Committee; and Mr. Coghlan and Ms. Morin each received an additional $1,500 for serving on our Remuneration and Nomination Committee, and Mr. Goines received an additional $2,000 for serving as the chair of our Remuneration and Nomination Committee.

(2) Restricted stock unit awards are reported at aggregate grant date fair value in the year granted, as determined in accordance with the provisions of FASB ASC Topic 718. For the assumptions used in valuing these awards for purposes of computing this expense, please see Note 15 of the financial statements of Life360 for the year ended December 31, 2021. The number of RSUs is calculated based on the value of Company stock on the 2021 Annual General Meeting date. The RSU grants vest and are settled quarterly over the year following their grant provided that the director remains a director as at the applicable vesting date, except with respect to 664 of the RSUs granted to Mr. Haro and 601 of the RSUs granted to Ms. Zuckerberg, which were vested at grant. In 2021, John Phillip Coghlan was issued 2,330 RSUs, Alex Haro was issued 2,462 RSUs, Brit Morin was issued 1,798 RSUs, James Synge was issued 1,881 RSUs, Mark Goines was issued 1,865 RSUs, David Wiadrowski was issued 2,135 RSUs, and Randi Zuckerberg was issued 1,881 RSUs. As of December 31, 2021, John Phillip Coghlan held 1,165 RSUs, Alex Haro held 899 RSUs, Brit Morin held 899 RSUs, James Synge held 941 RSUs, Mark Goines held 933 RSUs, David Wiadrowski held 1,068 RSUs, and Randi Zuckerberg held 941 RSUs.

(3) Option awards are reported at aggregate grant date fair value in the year granted, as determined in accordance with the provisions of FASB ASC Topic 718. For the assumptions used in valuing these awards for purposes of computing this expense, please see Note 15 of the financial statements of Life360 for the year ended December 31, 2021. The number of options is calculated based on the value of Company stock on the 2021 Annual General Meeting date. The options vest quarterly over the year following their grant provided that the director remains a director as at the applicable vesting date, except with respect to 4,309 of the options granted to Mr. Haro and 3,898 of the options granted to Ms. Zuckerberg, which were vested at grant. In 2021, John Phillip Coghlan was issued 15,119 options, Alex Haro was issued 15,972 options, Brit Morin was issued 11,663 options, James Synge was issued 12,203 options, Mark Goines was issued 12,101 options, David Wiadrowski was issued 13,850 options, and Randi Zuckerberg was issued 16,101 options. As of December 31, 2021, John Phillip Coghlan held 255,229 options, Alex Haro held 386,938 options, Brit Morin held 105,610 options, James Synge held 12,203 options, Mark Goines held 12,101 options, David Wiadrowski held 13,850 options, and Randi Zuckerberg held 16,101 options.

(4) Mr. Haro served as an employee until December 31, 2020 and served solely as a director in 2021.

(5) Appointed January 19, 2021.

Remuneration and Nomination Committee Interlocks and Insider Participation

The members of our Remuneration and Nomination Committee during 2021 included Messrs. Goines and Coghlan and Ms. Morin. None of the members of our Remuneration and Nomination Committee in 2021 was at any time during 2021 or at any other time one of our officers or employees, and none had or have any relationships with us that are required to be disclosed under Item 404 of Regulation S-K. During 2021, none of our executive officers served as a member of the board of directors, or as a member of the compensation or similar committee, of any entity that has one or more executive officers who served on our board of directors or Remuneration and Nomination Committee.

ITEM 7. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Certain Relationships and Related Transactions

The following includes a summary of transactions since January 1, 2019 to which we have been a party in which the amount involved exceeded or will exceed $120,000, and in which any of our directors, executive officers or beneficial owners of more than 5% of any class of our voting securities or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than compensation arrangements with directors and executive officers, which are described under "Executive Compensation."

Fourth Amended and Restated Investors' Rights Agreement

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On September 18, 2018, we entered into the fourth amended and restated investors' rights agreement (the "Investors' Rights Agreement") with certain holders of our common stock, including Christopher Hulls, our Co-Founder, Chief Executive Officer, and member of our Board of Directors, James Synge, a member of our Board of Directors, entities affiliated with each of Alex Haro, Mark Goines and John Philip Coghlan, each a member of our Board of Directors, and certain other holders of common stock or CDIs of the Company issued upon the prior conversion of the Company's preferred stock. The Investors' Rights Agreement provides, among other things, certain stockholders with registration rights and piggyback rights in connection with our common stock. The Investors' Rights Agreement also contains certain limitations on the ability of such stockholders to sell, loan or otherwise dispose of any of our securities, subject to certain exceptions, in connection with an initial public offering. We will pay for certain fees and expenses relating to the registration rights set forth in the Investors' Rights Agreement and agreed to indemnify the holders of registrable securities and certain other parties against (or make contributions in respect of) certain liabilities that may arise under the Securities Act. The Investors' Rights Agreement further provides certain holders holding at least 100,000 shares of our common stock with a right of first offer with respect to our future proposed equity financings, subject to specified conditions. For additional information, see the section titled "Description of Registrant's Securities to be Registered." This summary does not purport to be complete and is qualified in its entirety by the provisions of the Investors' Rights Agreement, a copy of which has been filed as an exhibit to this Registration Statement.

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Notes Due From Affiliates

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In February 2016, we received a promissory note from, and entered into a pledge and security agreement with, Christopher Hulls, our Co-Founder, Chief Executive Officer and director for amounts totaling $253,003.50, which is partially secured by 1,405,575 shares of common stock owned by Mr. Hulls, and accrues interest at a rate of 2.61% per annum. As of December 31, 2021, the outstanding balance for Mr. Hulls's loan was $253,003.50. Mr. Hulls did not repay any of the principal amount outstanding or interest accrued on the promissory note during the years ended December 31, 2021, 2020 and 2019, respectively. Mr. Hulls intends to repay the outstanding balance of the payments for his loan in full prior to the effectiveness of this Registration Statement.

In February 2016, we received a promissory note from, and entered into a pledge and security agreement with, Alex Haro, our Co-Founder and director, for amounts totaling $220,321.26, which is partially secured by 1,224,007 shares of common stock owned by Mr. Haro and accrues interest at a rate of 2.61% per annum. As of December 31, 2021, the outstanding balance of Mr. Haro's loan was $220,321.26. Mr. Haro did not repay any of the principal amount outstanding or interest accrued on the promissory note during the years ended December 31, 2021, 2020 and 2019, respectively. Mr. Haro intends to repay the outstanding balance of the payments for his loan in full prior to the effectiveness of this Registration Statement.

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Other Related Party Transactions

In June 2018, we entered into an engagement letter with Carthona Capital Pty Ltd ("Carthona Capital") for consultancy services during our capital raising by way of a combination of a preferred share issuance prior to our

initial public offering on the ASX and our initial public offing of CDIs and listing on the ASX. James Synge, a member of our Board, is a Principal and Partner of Carthona Capital. During the year ended December 31, 2019, the Company paid Carthona Capital an aggregate amount of $186,436 for consultancy services.

In November 2021, we entered into a consulting agreement with Carthona Capital for strategic advice regarding certain potential capital raising or business combination transactions involving Life360, including but not limited to advice regarding the overall structuring, positioning, market consideration and appropriate documentation regarding such prospective transactions. James Synge, a member of our Board, is a Principal and Partner of Carthona Capital. We agreed to pay Carthona Capital an aggregate amount equal to $200,000 minus any amounts paid to Carthona Capital as reimbursement of expenses pursuant to the consulting agreement. During the year ended December 31, 2021, we paid Carthona Capital an aggregate amount of $100,000 under the consulting agreement. In January 2022, we paid Carthona Capital an aggregate amount of $100,000 under the consulting agreement.

Related Party Revenue

See "Related Party Revenue" in Note 17 to Life360's audited consolidated financial statements included elsewhere in this Registration Statement.

Policies and Procedures for Transactions with Related Persons

We have procedures in place to identify related party transactions. We require all Board members to complete and sign an annual director's questionnaire which includes updated directorships and known related party transactions. All related party transactions pertaining to executives, including the CEO, require approval by the chairman of the Board. All Board directors are required to declare all conflicts of interest at every Board meeting. Management reviews the vendor list every month to identify any related parties. Transactions with related parties will also be subject to shareholder approval to the extent required by the ASX Listing Rules.

Director Independence

The Board has undertaken a review of the independence of each director. Based on information provided by each director concerning his or her background, employment, and affiliations, the Board has determined that each of Messrs. Coghlan, Synge, Goines, Wiadrowski and Mses. Morin and Zuckerberg is "independent" as that term is defined under the SEC rules and regulations. In making these determinations, the Board considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances the Board deemed relevant in determining their independence, including the beneficial ownership of shares of our capital stock held by each non-employee director and the transactions described in the section titled "Certain Relationships and Related Person Transactions."

ITEM 8. LEGAL PROCEEDINGS.

From time to time, we may be involved in legal proceedings, claims and government investigations in the ordinary course of business. We have received, and may in the future continue to receive, inquiries from regulators regarding our compliance with law and regulations, including those related to data protection and consumer rights, and due to the nature of our business and the rapidly evolving landscape of laws relating to data privacy, cybersecurity, consumer protection and data use, we expect to continue to be the subject of regulatory investigations and inquiries in the future. We have received, and may in the future continue to receive, claims from third parties relating to information or content that is published or made available on our platform, among other types of claims including those relating to, among other things, regulatory matters, commercial matters, intellectual property, competition, tax, employment, pricing, discrimination, and consumer rights. Future litigation may be necessary to defend ourselves, our partners, and our customers by determining the scope, enforceability, and validity of these claims. The results of any current or future regulatory inquiry or litigation

cannot be predicted with certainty, and regardless of the outcome, such investigations and litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, the potential for enforcement orders or settlements to impose operational restrictions or obligations on our business practices and other factors.

For additional information, see the section entitled "Risk Factors—Risks Related to Legal Matters and Our Regulatory Environment."

ITEM 9. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

There is no established U.S. public trading market for our common stock. Interests in our common stock are listed on the ASX under the symbol "360" in the form of CDIs, with each CDI representing a beneficial interest in one-third of a share of common stock.

For the periods indicated, the following table sets forth the high and low closing sale prices per CDI as reported on the ASX.

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Sales Prices (1)		
	High(2)	Low(2)
Year 2022		
2nd Quarter (as of June 9, 2022)	$ 4.34	$ 2.90
1st Quarter	$ 7.18	$ 3.29
Year Ended December 31, 2021		
4th Quarter	$10.28	$ 6.08
3rd Quarter	$ 7.19	$ 5.05
2nd Quarter	$ 5.00	$ 3.56
1st Quarter	$ 3.71	$ 2.67
Year Ended December 31, 2020		
4th Quarter	$ 3.07	$ 2.56
3rd Quarter	$ 3.26	$ 1.63
2nd Quarter	$ 1.80	$ 1.32
1st Quarter	$ 2.58	$ 1.20

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(1) The above table sets forth the range of high and low closing sales prices per CDI, each representing a beneficial interest in one-third of a share of our common stock as reported by the ASX for the periods indicated.

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(2) Values are based on the high and low closing sale price of our CDIs on the ASX for the periods indicated, multiplied by the AUD:USD conversion rate as in effect on March 31, 2022, as reported by Wall Street Journal (1:0.7485).

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In addition, we have been advised that our common stock has been quoted on the OTC Pink Market under the ticker symbol "LIFX" since November 11, 2019. We did not initiate, request or grant permission for the quotation of our securities on that market, nor did we facilitate or participate in any of the trading that has occurred on the OTC Pink Market. The OTC Pink Market is not an established public trading market. We believe there has not been significant trading volume for our common stock in the United States. The following are the high and low closing bid prices, respectively, for our common stock as reported on OTC Pink for the following periods: quarter ended March 31, 2022, $7.44 and $3.50; quarter ended December 31, 2021, $25.00 and $6.01; quarter ended September 30, 2021, $25.00 and $5.10; quarter ended June 30, 2021, $5.00 and $2.65; quarter ended March 31, 2021, $2.90 and $1.00; quarter ended December 31, 2020, $3.10 and $1.25; quarter ended September 30, 2020, $3.15 and $2.01; quarter ended June 30, 2020, $2.06 and $2.06; and quarter ended March 31, 2020, $2.06 and $2.06. Any over-the-counter market quotations reflect inter-dealer prices, without

retail mark-up, mark-down or commission and may not necessarily represent actual transactions. Our common stock will no longer trade on the OTC Pink Market in the event we list our common stock to a U.S. securities exchange.

Rule 144

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We have not previously filed a registration statement under the Securities Act. Shares sold pursuant to exemptions from registration are deemed to be "restricted" securities as defined by the Securities Act. As of May 31, 2022, out of a total of 100,000,000 shares authorized, 61,891,465 shares are issued as restricted securities and can only be sold or otherwise transferred pursuant to a registration statement under the Securities Act or pursuant to an available exemption from registration. Of such restricted shares, 6,473,607, (10.5%) shares are held by affiliates (directors, officers and 10% holders), with the balance of 54,897,051 (89.5%) shares being held by non-affiliates.

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In general, under Rule 144 as currently in effect, a person (or persons whose shares are aggregated) who has beneficially owned restricted shares of a reporting company for at least six months, including any person who may be deemed to be an "affiliate" of the company (as the term "affiliate" is defined under the Securities Act), is entitled to sell, within any three-month period, an amount of shares that does not exceed the greater of (i) the average weekly trading volume in the company's common stock, as reported through the automated quotation system of a registered securities association, during the four calendar weeks preceding such sale or (ii) 1% of the shares then outstanding. In order for a stockholder to rely on Rule 144, adequate current public information with respect to the company must be available. A person who is not deemed to be an affiliate of the company and has not been an affiliate for the most recent three months, and who has held restricted shares for at least one year is entitled to sell such shares without regard to the various resale limitations under Rule 144. Under Rule 144, the requirements of paragraphs (c), (e), (f), and (h) of such Rule do not apply to restricted securities sold for the account of a person who is not an affiliate of an issuer at the time of the sale and has not been an affiliate during the preceding three months, provided the securities have been beneficially owned by the seller for a period of at least one year prior to their sale. For purposes of this registration statement, a controlling stockholder is considered to be a person who owns 10% or more of the company's total outstanding shares, or is otherwise an affiliate of the Company.

Rule 701

Rule 701 under the Securities Act permits resales of shares in reliance upon Rule 144 but without compliance with certain restrictions of Rule 144, including the holding period requirement and the volume and public information requirements. Any of our employees, consultants or advisors, other than our affiliates, who acquired shares from us under a written compensatory plan or contract may be entitled to rely on the resale provisions of Rule 701, but all holders of Rule 701 shares are required to wait until 90 days after the effective date of this Registration Statement before selling their shares under Rule 701. As of March 31, 2022, no shares have been issued pursuant to Rule 701.

Holders

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As of May 31, 2022, we had 6,473,607 shares of our common stock, including all shares of common stock underlying issued and outstanding CDIs, par value $0.001, issued and outstanding. There were 383 holders of our common stock and 7,443 holders of CDIs.

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Dividend Policy

We have never paid or declared any cash dividends on our common stock or CDIs in the past, and we do not anticipate paying any cash dividends on our common stock in the foreseeable future. We currently intend to retain all available funds and any future earnings to fund the development and expansion of our business. Subject

to such restrictions, any future determination to pay dividends or other distributions from our reserves will be at the discretion of our Board and will depend upon a number of factors, including our results of operations, financial condition, future prospects, contractual restrictions, restrictions imposed by applicable law and other factors our Board deems relevant.

Equity Compensation Plan Information

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The following table provides information about the common stock that may be issued upon the exercise of options, warrants and rights under all of our existing equity compensation plans as of December 31, 2021.

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Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights(1) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	9,427,501(2)	$ 5.61	24,283,359(3)
Equity compensation plans not approved by security holders	339,998(4)	$ 4.81	—
Total	9,767,499	$ 5.57	24,283,359

(1) The weighted-average exercise price is calculated based solely on the exercise prices of the outstanding stock options and warrants and does not reflect the shares that will be issued upon the vesting of outstanding awards of RSUs, which have no exercise price.
(2) Includes 6,904,379 stock options issued under the Stock Plan and 2,523,122 RSUs issued under the Stock Plan.
(3) Represents shares available for issuance under the Stock Plan.
(4) Includes 67,997 Jiobit assumed options issued outside of the Stock Plan with a volume weighted average exercise price of $5.38 and 272,001 warrants issued outside of the Stock Plan with a volume weighted average exercise price of $4.67.

Purchases of Equity Securities by the Registrant and Affiliated Purchasers

We have not repurchased any shares of our common stock during the fiscal years ended December 31, 2021 or 2020.

ITEM 10. RECENT SALES OF UNREGISTERED SECURITIES.

The following list sets forth information as to all securities we have sold since January 1, 2019, which were not registered under the Securities Act.

On March 4, 2019, in connection of the acquisition of Zen Labs, Inc., we paid a total consideration of approximately $1.02 million and in connection issued 130,000 shares of common stock.

On May 15, 2019, we issued 30.36 million CDIs for A$145.43 million, where the ratio of CDIs per share of common stock is three CDIs for one share of common stock, in connection with our public offering of CDIs on the ASX. The offer was fully underwritten by Credit Suisse (Australia) Limited and Bell Potter Securities Limited pursuant to an underwriting agreement.

On July 1, 2021, we issued convertible notes to investors with an underlying principal amount of $2.1 million. The convertible notes accrue simple interest at an annual rate of 4% and mature on July 1, 2026. The convertible notes may be settled under the following scenarios at the option of the holders of the convertible notes: (i) at any time into shares of our common stock equal to the conversion amount of outstanding principal and any accrued but unpaid interest divided by the conversion price of $11.96; (ii) at the option of the holder upon a liquidation event a) paid in cash equal to the outstanding principal and any accrued but unpaid interest or b) into common shares equal to the conversion amount of outstanding principal and any accrued but unpaid interest divided by the conversion price of $11.96; or (iii) upon maturity of the convertible notes, settlement in cash at the outstanding accrued interest and principal amount. In connection with the convertible notes, we issued warrants to purchase 88,213 shares of our common stock with an exercise price of $0.01 per share and a term of one year, 44,106 shares of our common stock with an exercise price of $11.96 per share and a term of 5 years, and 44,106 shares of our common stock which is exercisable starting 12 months from the convertible note issuance date with an exercise price of $11.96 per share and a term of 5 years.

On September 1, 2021, the Jiobit Acquisition was consummated for a total consideration of $43.2 million, comprised of: (i) $7.3 million in cash; (ii) an additional $5.9 million of consideration contingent upon reaching certain operational goals for 2021 and 2022; (iii) $11.6 million in fair value of convertible notes issued to stockholders; (iv) the forgiveness of $4.0 million of Jiobit's convertible debt held by Life360; (v) $0.6 million of Life360 vested common stock options for 25,245 shares issued to Jiobit employees; and (vi) $13.8 million of 674,516 shares of the Company's common stock on the date of acquisition. We paid the purchase price for the acquisition using cash generated from operations.

The September 2021 Convertible Notes bear interest at the U.S. Prime rate plus 25 basis points. The September 2021 Convertible Notes can be converted to shares of our common stock at any time subsequent to the acquisition at a fixed conversion price of $22.50 per share. On each of the first three annual anniversaries of the issuance date of the September 2021 Convertible Notes, we will repay one-third of the unconverted principal plus accrued interest to the holders of such notes. Upon a change of control, the holder may elect to either convert at the fixed conversion price of $22.50 per share or be repaid in full.

In December 2021, we issued approximately 23.3 million CDIs, representing approximately 7.7 million shares of common stock, for A$280 million. The offer was fully underwritten by Credit Suisse (Australia) Limited and Bell Potter Securities Limited pursuant to an underwriting agreement.
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On January 5, 2022, the Tile Acquisition was consummated for a total consideration comprised of up to $205.0 million comprised of: (i) $132.4 million in cash, subject to customary adjustments, (ii) up to $37.6 million of new shares issued to the shareholders of Tile, conditional, in part, on Tile achieving certain financial hurdles and (iii) up to $35.0 million in retention awards for Tile employees, subject to performance requirements. We paid the purchase price for the acquisition using the proceeds from an underwritten offering of 7,779,014 shares of its common stock.
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The issuances of the securities in the transactions described above were deemed to be exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act and/or Rule 506, Rule 701 or Regulation S promulgated thereunder. The securities were issued directly by us and did not involve a U.S. public offering or general solicitation. The recipients of such securities represented their intentions to acquire the securities for investment purposes only and not with a view to, or for sale in connection with, any distribution thereof.

ITEM 11. DESCRIPTION OF REGISTRANT'S SECURITIES TO BE REGISTERED.

The following description summarizes the most important terms of our capital stock. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description, you should refer to our Certificate of Incorporation, and Bylaws and amended and restated investors' rights

agreement, which are included as exhibits to this Registration Statement, and to the applicable provisions of Delaware law. Under this section "Description of Registrant's Securities to be Registered," "we," "us," "our" and the "Company" refer to Life360, Inc. and not to any of its subsidiaries.

General

Our authorized capital stock consists of 100,000,000 shares of common stock, par value $0.001 per share.

Common Stock

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As of May 31, 2022, we had 61,891,465 shares of common stock issued and outstanding, including all shares of common stock underlying all issued and outstanding CDIs.

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Dividend Rights

Subject to prior rights that may apply to shares of common stock outstanding at the time, the holders of outstanding shares of our common stock are entitled to receive dividends out of funds legally available at the times and in the amounts that our Board may determine.

Voting Rights

Each holder of shares of our common stock is entitled to one vote per share. Holders of our CDIs are entitled to one vote for every three CDIs they hold. Our Certificate of Incorporation and Bylaws establish a classified board of directors that is divided into three classes with staggered three-year terms. Only the directors in one class are subject to election by a plurality of the votes cast at each annual meeting of our stockholders, with the directors in the other classes continuing for the remainder of their respective three-year terms. Our Certificate of Incorporation does not provide for cumulative voting for the election of directors.

Preemptive or Similar Rights

We are party to the Investors' Rights Agreement that provides certain holders holding at least 100,000 shares of our common stock with a right of first offer with respect to our future proposed equity financings, subject to specified conditions.

Right to Receive Liquidation Distributions

Upon our liquidation, dissolution or winding-up, the assets legally available for distribution to our stockholders would be distributable ratably among the holders of our common stock.

Fully Paid and Non-assessable

All of the outstanding shares of our common stock are fully paid and non-assessable.

Options

As of March 31, 2022, we had outstanding options to purchase an aggregate of 7,879,952 shares of our common stock, with a weighted-average exercise price of $6.50 per share under our 2011 Plan.

Restricted Stock Units

As of March 31, 2022, we had outstanding awards of restricted stock units covering 5,341,004 shares of our common stock.

Warrants

As of March 31, 2022, we had issued and outstanding the following warrants:

- Warrants to purchase 21,321 shares of the Company's common stock with an exercise price of $0.01 per share and a term of one year, 44,106 shares of the Company's common stock with an exercise price of $11.96 per share and a term of five years, and 44,106 shares of the Company's common stock which is exercisable starting 12 months from July 1, 2021, with an exercise price of $11.96 per share and a term of five years.
- Warrants to purchase 7,761 shares of the Company's common stock with an exercise price of $6.44 per share and a term of 10 years which expires on September 4, 2025. The warrant has a cashless exercise provision pursuant to which the holder, in lieu of paying the exercise price in cash, can surrender the warrant and receive a number of shares based on the (x) fair market value of such shares minus the exercise price multiplied by (y) the number of shares with respect to which the warrant is being exercised divided by (z) the fair market value of the shares.
- Warrants to purchase 41,685 shares of the Company's common stock with an exercise price of $2.28 per share and a term of 10 years which expires on March 27, 2024.
- Warrants to purchase 46,130 shares of the Company's common stock with an exercise price of $1.52 per share and a term of 10 years which expires on July 17, 2022.

Convertible Notes

As of March 31, 2022, we had certain issued and outstanding convertible notes in the aggregate principal amount of $2.1 million. The outstanding principal and any accrued and unpaid interest under these notes shall, at the option of the noteholder, either automatically convert, in the event of a change of control, SPAC transaction or qualified initial public offering, into shares of common stock of the Company at a conversion price of $11.96 per share, or be repaid in full. The noteholders have certain limitations on their ability to sell, loan or otherwise dispose of any securities of the Company, subject to certain exceptions.

As of March 31, 2022, we had issued and outstanding September 2021 Convertible Notes in the aggregate principal amount of $11.4 million. These notes can be converted to shares of our common stock at any time subsequent to the acquisition at a fixed conversion price of $22.50 per share. On each of the first three annual anniversaries of the issuance date of the September 2021 Convertible Notes, we will repay one-third of the unconverted principal plus accrued interest to the holders of such notes. Upon a change of control, the holder may elect to either convert at the fixed conversion price of $22.50 per share or be repaid in full. The noteholders have certain limitations on their ability to sell, loan or otherwise dispose of any securities of the Company, subject to certain exceptions.

Registration Rights

We are party to the Investors' Rights Agreement that provides certain holders of our common stock with registration rights and piggyback rights as set forth below. The registration of shares of our common stock by the exercise of registration rights described below would enable the holders to sell these shares without restriction under the Securities Act when the applicable registration statement is declared effective. We will pay the registration expenses, other than underwriting discounts and commissions, of the shares registered by the registrations described below, subject to certain conditions.

The registration rights set forth in the Investors' Rights Agreement will expire on the earlier of May 10, 2024, or the termination of the agreement. The Investors' Rights Agreement contains certain limitations on the ability of the parties thereto to sell, loan or otherwise dispose of any securities of the Company, subject to certain exceptions, in connection with an initial public offering. In an underwritten offering, the underwriters have the right, subject to specified conditions, to limit the number of shares such holders may include.

Demand Registration Rights

Certain holders of our common stock will be entitled to certain demand registration rights. At any time after the earlier of the September 18, 2023 or after the effective date of our first registration statement for a public offering of securities, the holders of at least 33% of these shares may request that we register all or a portion of their shares. Such request for registration must cover shares with an anticipated aggregate offering price, net of underwriting discounts and commissions, of at least $5 million.

Piggyback Registration Rights

In the event that we propose to register any of our securities under the Securities Act, either for our own account or for the account of other security holders, certain holders of our common stock will be entitled to certain piggyback registration rights allowing the holder to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to (1) a registration relating solely to the sale of securities to participants in our stock option, stock purchase, or similar plan, (2) a registration relating to a transaction covered by Rule 145 under the Securities Act, (3) any registration on any form which does not include substantially the same information as would be required to be included in a registration statement covering the sale of registrable securities, the holders of these shares are entitled to notice of the registration and have the right to include their shares in the registration, or (4) a registration in which the only stock being registered is common stock upon conversion of debt securities also being registered.

S-3 Demand Registration Rights

Certain holders of our common stock will be entitled to certain Form S-3 demand registration rights. The holders of at least 20% of these shares then outstanding may make a written request that we register the offer and sale of their shares on a registration statement on Form S-3 if we are eligible to file a registration statement on Form S-3 so long as the request covers at least that number of shares with an anticipated offering price, net of underwriting discounts and selling commissions, of at least $1 million. These stockholders may make an unlimited number of requests for registration on Form S-3; however, we will not be required to effect a registration on Form S-3 during the period that is 90 days before our good faith estimate of the date of filing of a registration statement initiated by us. In addition, if we determine that it would be materially detrimental to us and our stockholders to effect such a demand registration, we have the right to defer such registration, not more than once in any 12-month period, for a period of up to 60 days. In addition, in an underwritten public offering, the underwriters have the right, subject to specified conditions, to limit the number of shares that these stockholders may include for registration.

CHESS Depositary Interests

Our shares of common stock are traded on the ASX in the form of CDIs, under the ASX trading code “360.” Shares of common stock of Life360 are not traded on the ASX because ASX’s electronic settlement system, known as CHESS, cannot be used for the transfer of securities of issuers incorporated in certain countries including the United States. CDIs have been created to facilitate electronic settlement and transfer in Australia for companies in this situation. Legal title to the shares of common stock underlying the CDIs is held by an Australian depositary nominee, CHESS Depositary Nominees Pty Ltd.

CDIs are units of beneficial ownership in our shares of common stock. Each CDI represents a beneficial interest in one-third of a share of common stock. The CDI holders receive all direct economic and other benefits of our shares of common stock on a 3-for-1 basis. The CDIs may be transmuted into shares of our common stock on a 3-for-1 basis at the election of the CDI holder.

There are a number of differences between holding CDIs and shares of common stock. The major differences are that:

- CDI holders do not have legal title in the underlying shares of common stock to which the CDIs relate (the chain of title in the shares underlying the CDIs is summarized above); and

- CDI holders are not able to vote personally as shareholders at a meeting of Life360. Instead, CDI holders are provided with a voting instruction form which will enable them to instruct the depositary nominee in relation to the exercise of voting rights.

Alternatively, CDI holders can transmute their CDIs into shares of common stock of Life360 in sufficient time before the relevant meeting, in which case they will be able to vote personally as shareholders of Life360.

Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws

Some provisions of Delaware law, our Certificate of Incorporation, and Bylaws contain provisions that could make the following transactions more difficult: an acquisition of us by means of a tender offer; an acquisition of us by means of a proxy contest or otherwise; or the removal of our incumbent officers and directors. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions which provide for payment of a premium over the market price for our shares.

These provisions, summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our Board. We believe that the benefits of the increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

Stockholder Meetings

Our Bylaws provide that a special meeting of stockholders may be called by our Board, our chairperson of the Board, chief executive officer, president, or by one or more stockholders holding shares in the aggregate entitled to cast not less than 10 percent of the votes at the meeting.

Requirements for Advance Notification of Stockholder Nominations

Our Bylaws establish advance notice procedures with respect to the nomination of candidates for election as directors, other than nominations made by or at the direction of the Board or a committee of the Board. These procedures require all nominations of candidates for election as directors to be received no later than 35 business days prior to the date of the annual meeting. These provisions may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed. These provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

Elimination of Stockholder Action by Written Consent

Our Certificate of Incorporation and Bylaws eliminate the right of stockholders to act by written consent without a meeting, which may lengthen the amount of time required to take stockholder actions. As a result, a holder controlling a majority of our capital stock would not be able to amend our Bylaws or remove directors without holding a meeting of our stockholders called in accordance with our Bylaws.

Staggered Board

Our Board is divided into three classes. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders. This system of electing and removing directors may tend to discourage a third-party from making a tender offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors.

Removal of Directors; Vacancies

Our Bylaws provide that members of our Board may be removed from office by a majority of our stockholders with or without cause provided, however, that if the stockholders are entitled to cumulative voting, if less than the entire Board is to be removed, no director may be removed without cause if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire Board. In addition, Bylaws provide that any newly created directorship on our Board that results from an increase in the number of directors and any vacancy occurring on our Board may only be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director (and not by the stockholders). These provisions would prevent a stockholder from increasing the size of our Board and then gaining control of our Board by filling the resulting vacancies with its own nominees. This will make it more difficult to change the composition of our Board and will promote continuity of management.

Delaware Anti-takeover Statute

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits persons deemed to be "interested stockholders" from engaging in a "business combination" with a publicly held Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation's voting stock. Generally, a "business combination" includes a merger, asset, or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by our Board.

Corporate Opportunities

The Certificate of Incorporation provides for the renouncement by the Company of any interest or expectancy of the Company in, or being offered an opportunity to participate in any matter, transaction, or interest that is presented to, or acquired, created, or developed by, or which otherwise comes into possession of, any director of the Company who is not an employee or officer of the Company or any of its subsidiaries, unless such matter, transaction, or interest is presented to, or acquired, created, or developed by, or otherwise comes into the possession of a director of the Company expressly and solely in that director's capacity as a director of the Company.

Choice of Forum

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Our Certificate of Incorporation provides that the Court of Chancery of the State of Delaware will be the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (1) any derivative action or proceeding brought on our behalf; (2) any action or proceeding asserting a claim of breach of a fiduciary duty by any of our stockholders, directors, officers, employees or agents to us or our stockholders; (3) any action or proceeding asserting a claim against us arising pursuant to any provision of the General Corporation Law of the State of Delaware or our Certificate of Incorporation or Bylaws or (4) any action or proceeding asserting a claim governed by the internal affairs doctrine. The exclusive forum provision does not apply to any actions brought to enforce a duty or liability created by the Securities Act, the Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction.

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The provisions of Delaware law, our Certificate of Incorporation, and our Bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the composition of our Board and management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

Limitations on Liability and Indemnification of Directors and Officers

See the section titled "Indemnification of Directors and Officers."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock, including shares underlying all issued and outstanding CDIs, is Computershare Trust Company, N.A. The transfer agent and registrar's address is 250 Royall Street, Canton, MA 02021, and its telephone number is (866) 595-6048.

ITEM 12. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities, including reimbursement for expenses incurred, arising under the Securities Act.

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We have entered into indemnification agreements with each of our directors and our executive officers. These agreements provide that we will indemnify each of our directors and such officers to the fullest extent permitted by law and our Bylaws. Insofar as indemnification for liabilities arising under the Securities Act, may be permitted to directors or executive officers, we have been informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy and is therefore unenforceable.

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We also maintain insurance policies that indemnify our directors and officers against various liabilities arising under the Securities Act and the Exchange Act that might be incurred by any director or officer in his or her capacity as such.

ITEM 13. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Financial Statements

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The full text of the audited financial statements for Life360 and Tile, unaudited interim financial statements for Life360 and Tile and pro forma financial statements begins on page F-1 of this Registration Statement.

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ITEM 14. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 15. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements

The financial statements included in this Registration Statement are listed in Item 13 and commence on page F-1.

(b) Exhibits

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Exhibit No.	Description
2.1†*	Agreement and Plan of Merger dated November 22, 2021, by and among Life360, Inc., Triumph Merger, Sub, Inc., Tile, Inc., and Fortis Advisors LLC.
2.2†*	Amendment No. 1 to Agreement and Plan of Merger dated December 20, 2021, by and among Life360, Inc., Triumph Merger, Sub, Inc., Tile, Inc., and Fortis Advisors LLC.
2.3†*	Agreement and Plan of Merger dated July 27, 2021, by and among Life360, Inc., Jiobit Merger Sub I, Inc., Jiobit Merger Sub II, LLC, Jio, Inc. and Shareholder Representative Services LLC.
2.4†*	Amendment No.1 to Agreement and Plan of Merger dated August 31, 2021, by and among Life360, Inc., Jiobit Merger Sub I, Inc., Jiobit Merger Sub II, LLC, Jio, Inc. and Shareholder Representative Services LLC.
2.5†*	Second Amendment dated April 11, 2022, by and between Life360, Inc. and Shareholder Representative Services LLC, to that certain Agreement and Plan of Merger dated July 27, 2021, by and among Life360, Inc., Jiobit Merger Sub I, Inc., Jiobit Merger Sub II, LLC, Jio, Inc. and Shareholder Representative Services LLC.
3.1*	Amended and Restated Certificate of Incorporation of the Company.
3.2*	Amended and Restated Bylaws of the Company.
4.1†*	Fourth Amended and Restated Investors' Rights Agreement dated September 18, 2018, by and among Life360, Inc., the Founders, the Existing Preferred Holders and the New Investors.
10.1+*	Form of Indemnification Agreement between Life360 and its directors and officers.
10.2+*	Amended and Restated 2011 Stock Plan.
10.3+*	Form of Amended and Restated 2011 Stock Plan Restricted Stock Unit Agreement.
10.4+*	Form of Amended and Restated 2011 Stock Plan Stock Option Agreement.
10.5+*	Life360 Compensation Plan for Board Directors and Company Leadership.
10.6 +*	Employment Agreement, dated May 14, 2019, between Life360, Inc. and Chris Hulls.
10.7 +*	Offer Letter, dated October 29, 2015, between Life360, Inc. and David Rice.
10.8 +†*	Employment Agreement, dated November 22, 2021, by and between Tile, Inc., pursuant to that certain Agreement and Plan of Merger, dated November 22, 2021, by and between the Company, Life360, Inc. and certain other parties, and Charles J. Prober.
10.9 +*	First Amendment to Employment Agreement, dated April 7, 2022, between Life360, Inc. and Charles J. Prober.
10.10 +*	Offer Letter, dated September 5, 2019, between Life360, Inc. and Samir Kapoor.
10.11+*	Retention Bonus Letter between Life360, Inc. and Christopher Hulls (2016).

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Exhibit No.	Description
10.12+*	Retention Bonus Letter between Life360, Inc. and David Rice (2016).
10.13§	Data Services and License Agreement, effective as of January 26, 2022, by and between Life360, Inc. and Placer Labs Inc.
10.14§	Amendment No. 1 to Data Services and License Agreement, effective as of May ___, 2022, by and between Life360, Inc. and Placer Labs Inc.
10.15†§*	Warranty Program Agreement, dated June 26, 2020, by and between Cover Genius Warranty Services, LLC and Tile, Inc.
10.16§*	First Amendment to the Warranty Program Agreement, dated September 17, 2020, by and between Cover Genius Warranty Services, LLC and Tile, Inc.
10.17§*	Second Amendment to the Warranty Program Agreement, dated October 8, 2021, by and between Cover Genius Warranty Services, LLC and Tile, Inc.
10.18§	Manufacturing Services Agreement, dated March 8, 2017, by and between Jabil Circuit, Inc., Jabil Circuit (Singapore) Pte. Ltd. and Tile, Inc.
10.19	Letter Agreement, dated June 2, 2022, by and among Jabil, Inc., Jabil Circuit (Singapore) Pte. Ltd. and Tile, Inc.
10.20†	Office Lease for 539 Bryant Street, San Francisco, California, dated October ___, 2013, by and between SF OFFICE 2, LLC and Life360, Inc.
10.21	Amendment to Lease for 539 Bryant Street, San Francisco, California, dated November 25, 2013, by and between SF OFFICE 2, LLC and Life360, Inc.
10.22†	Second Amendment to Office Lease for 539 Bryant Street, San Francisco, California, dated November 24, 2014, by and between SF OFFICE 2, LLC and Life360, Inc.
10.23	Third Amendment to Office Lease for 539 Bryant Street, San Francisco, California, dated January 13, 2015, by and between SF OFFICE 2, LLC and Life360, Inc.
10.24†	Fourth Amendment to Office Lease for 539 Bryant Street, San Francisco, California, dated August 7, 2017, by and between TRPF 539 Bryant Street LP and Life360, Inc.
10.25	Standard Multi-Tenant Office Lease – Gross for 1953 San Elijo Avenue, Suite 205, Cardiff by the Sea, California, dated as of April 24, 2015, by and between Rancho Summit LLC and Pathsense, Inc.
10.26	First Amendment to Standard Multi-Tenant Office Lease – Gross for 1953 San Elijo Avenue, Suite 205, Cardiff by the Sea, California, dated as of March 28, 2017, by and between Rancho Summit LLC and Pathsense, Inc.
10.27	Assignment and Assumption of Lease for 1953 San Elijo Avenue, Suite 205, Cardiff by the Sea, California, dated as of December 4, 2017, by and among Pathsense, Inc., Rancho Summit LLC and Life360, Inc.
10.28	Second Amendment to Standard Multi-Tenant Office Lease – Gross for 1953 San Elijo Avenue, Suite 205, Cardiff by the Sea, California, dated as of May 29, 2018, by and between Rancho Summit LLC and Life360, Inc.
10.29†	Third Amendment to Standard Multi-Tenant Office Lease – Gross for 1953 San Elijo Avenue, Suite 205, Cardiff by the Sea, California, dated as of September 20, 2018, by and between Rancho Summit LLC and Life360, Inc.
10.30†	Fourth Amendment to Standard Multi-Tenant Office Lease – Gross for 1953 San Elijo Avenue, Suite 205, Cardiff by the Sea, California, dated as of June 26, 2019, by and between Rancho Summit LLC and Life360, Inc.

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Exhibit No.	Description
10.31†	Office Lease for 1900 S. Norfolk Street, Suite 310, San Mateo, California, dated September 12, 2019, by and between 1900 Atrium Associates, LP and Tile, Inc.
10.32	First Amendment to Lease for 1900 S. Norfolk Street, Suite 310, San Mateo, California, dated August 18, 2020, by and between 1900 Atrium Associates, LP and Tile, Inc.
10.33	Second Amendment to Lease for 1900 S. Norfolk Street, Suite 310, San Mateo, California, dated January 10, 2022, by and between 1900 Atrium Associates, LP and Tile, Inc.
10.34†	Sublease Agreement for 30 North LaSalle Street, Chicago, Illinois, dated as of March 9, 2019, by and between Bin Insurance Holdings, LLC and Jio, Inc.
10.35	Vendor Terms and Conditions between Tile, Inc. and Amazon.com, effective June 4, 2018.
10.36	Apple Developer Program License Agreement between Life360, Inc. and Apple Inc.
10.37	Schedules 2 and 3 to Apple Developer Program License Agreement between Life360, Inc. and Apple Inc.
21.1*	List of Subsidiaries of the Company.

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* Filed previously.
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+ Indicates a management contract or compensatory plan, contract or arrangement.
† Certain exhibits and schedules to this exhibit have been omitted in accordance with Item 601(a)(5) of Regulation S-K. The registrant hereby agrees to furnish supplementally a copy of any omitted exhibit or schedule to the SEC upon its request.
§ Portions of this exhibit have been redacted in accordance with Regulation S-K Item 601(b)(10)(iv).

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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The financial results of Tile, Inc. have been fully incorporated into the unaudited interim condensed consolidated balance sheet of Life360, Inc. as of March 31, 2022 and are also substantially incorporated into the unaudited interim condensed consolidated statement of operations for the three months ended March 31, 2022. Given the acquisition of Tile, Inc. took place at the beginning of the three month period and substantially all of the financial results of Tile, Inc. have been incorporated into the consolidated financial results, the difference between actual financial results and pro forma results is immaterial. As a result, the unaudited pro forma condensed combined interim financial results as of March 31, 2022 and for the three months ended March 31, 2022 have been omitted.

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Tel: 408-278-0220
Fax: 415-278-0230
www.bdo.com

300 Park Avenue
Suite 900
San Jose, CA 95110

Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
Life360, Inc.
San Francisco, California

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Life360, Inc. (the "Company") as of December 31, 2021 and 2020, the related consolidated statements of operations and comprehensive loss, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the 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. We believe that our audits provide a reasonable basis for our opinion.

/s/ BDO USA, LLP
We have served as the Company's auditor since 2016
San Francisco, California
April 26, 2022

Life360, Inc.

Consolidated Balance Sheets
(Dollars in U.S. $, in thousands, except share and per share data)

	December 31, 2021	December 31, 2020
Assets		
Current Assets:		
Cash and cash equivalents	$ 230,990	$ 56,413
Accounts receivable	11,772	9,042
Costs capitalized to obtain revenue contracts, net	1,319	3,381
Inventory	2,009	—
Prepaid expenses and other current assets	10,590	10,017
Total current assets	256,680	78,853
Restricted cash	355	198
Property and equipment, net	580	801
Costs capitalized to obtain revenue contracts, net of current portion	330	569
Prepaid expenses and other assets, noncurrent	3,691	2,184
Right of use asset	1,627	2,638
Intangible assets, net	7,986	—
Goodwill	31,127	764
Total Assets	$ 302,376	$ 86,007
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	$ 3,248	$ 2,420
Accrued expenses and other liabilities	10,547	5,235
Contingent consideration	9,500	—
Convertible notes, current	4,222	—
Deferred revenue	13,929	11,855
Total current liabilities	41,446	19,510
Convertible notes, noncurrent	8,284	—
Derivative liability, noncurrent	1,396	—
Other noncurrent liabilities	1,205	2,308
Total Liabilities	$ 52,331	$ 21,818
Commitments and Contingencies (Note 12)		
Stockholders' Equity		
Common Stock, $0.001 par value; 100,000,000 shares authorized as of December 31, 2021 and December 31, 2020; 60,221,799 and 50,035,408 issued and outstanding as at December 31, 2021 and December 31, 2020, respectively	61	50
Additional paid-in capital	416,278	196,852
Notes due from affiliates	(951)	(927)
Accumulated deficit	(165,343)	(131,786)
Total stockholders' equity	250,045	64,189
Total Liabilities and Stockholders' Equity	$ 302,376	$ 86,007

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

Life360, Inc.

Consolidated Statements of Operations and Comprehensive Loss
(Dollars in U.S. $, in thousands, except share and per share data)

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	Year ended December 31,	
	2021	2020
Subscription revenue	$ 86,551	$ 58,472
Other revenue (including related party revenue of $0 and $195, respectively)	26,092	22,183
Total revenue	112,643	80,655
Cost of subscription revenue	17,807	13,582
Cost of other revenue	4,961	1,813
Total cost of revenue	22,768	15,395
Gross Profit	89,875	65,260
Operating expenses:		
Research and development	50,994	39,643
Sales and marketing	47,473	30,190
General and administrative	23,670	12,078
Total operating expenses	122,137	81,911
Loss from operations	(32,262)	(16,651)
Other (Income)/ Expense:		
Convertible notes fair value adjustment	511	—
Derivative liability fair value adjustment	733	—
Other (income)/expense, net	178	(317)
Total Other (Income)/ Expense	1,422	(317)
Loss before Benefit from for income taxes	(33,684)	(16,334)
Benefit from income taxes	127	—
Net Loss and Comprehensive Loss	$ (33,557)	$ (16,334)
Net loss per share attributable to common shareholders, basic and diluted	$ (0.65)	$ (0.33)
Weighted-average shares used in computing net loss per share attributable to common shareholders, basic and diluted	51,656,195	49,346,050

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

Life360, Inc.

Consolidated Statements of Stockholders' Equity
(Dollars in U.S. $, in thousands, except share data)

	Common Stock		Additional Paid-In Capital	Notes Due from Affiliates	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2019	48,840,675	$ 49	$ 188,300	$ (831)	$ (115,452)	$ 72,066
Exercise of stock options	895,430	1	1,612	—	—	1,613
Repurchase of common stock	(4,554)	—	(1)	—	—	(1)
Issuance of common stock for services rendered	1,250	—	—	—	—	—
Vesting of restricted stock units	302,607	—	—	—	—	—
Taxes paid related to net settlement of equity awards	—	—	(1,150)	—	—	(1,150)
Stock-based compensation expense	—	—	8,091	—	—	8,091
Interest accrued relating to notes due from affiliates	—	—	—	(96)	—	(96)
Net loss	—	—	—	—	(16,334)	(16,334)
Balance at December 31, 2020	**50,035,408**	**$ 50**	**$ 196,852**	**$ (927)**	**$ (131,786)**	**$ 64,189**
Exercise of stock options	1,056,352	$ 1	$ 3,542	$ —	$ —	$ 3,543
Exercise of warrants	37,410	—	—	—	—	—
Vesting of restricted stock units	547,882	1	(1)	—	—	—
Taxes paid related to net settlement of equity awards	—	—	(4,725)	—	—	(4,725)
Issuance of warrants with convertible note (Note 10)	—	—	844	—	—	844
Beneficial conversion feature associated with convertible note (Note 10)	—	—	603	—	—	603
Issuance of common stock in connection with an acquisition	765,733	1	13,820	—	—	13,821
Issuance of common stock, net of $5,757 of transaction costs	7,779,014	8	193,056	—	—	193,064
Vested option awards assumed in connection with an acquisition	—	—	533	—	—	533
Stock-based compensation expense	—	—	11,754	—	—	11,754
Interest accrued relating to notes due from affiliates	—	—	—	(24)	—	(24)
Net loss	—	—	—	—	(33,557)	(33,557)
Balance at December 31, 2021	**60,221,799**	**$ 61**	**$ 416,278**	**$ (951)**	**$ (165,343)**	**$ 250,045**

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

Life360, Inc.

Consolidated Statements of Cash Flows
(Dollars in U.S. $, in thousands)

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	Year Ended December 31,	
	2021	2020
Cash Flows from Operating Activities:		
Net loss	$ (33,557)	$ (16,334)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	876	657
Amortization of costs capitalized to obtain contracts	4,014	7,021
Stock-based compensation expense	11,754	8,091
Compensation expense in connection with revesting notes (Note 8)	184	—
Interest expense related to the amortization of debt discount	213	—
Interest income	(47)	(23)
Convertible notes fair value adjustment	511	—
Derivative liability fair value adjustment	733	—
Loss on revaluation of contingent consideration	3,600	—
Changes in operating assets and liabilities:		
Accounts receivable	(2,689)	(1,149)
Prepaid expenses and other current assets	(340)	(4,717)
Inventory	(859)	—
Costs capitalized to obtain contracts, net	(1,713)	(5,240)
Other noncurrent assets	(603)	2,498
Accounts payable	559	1,925
Accrued expenses	4,720	438
Deferred revenue	1,671	770
Noncurrent liabilities	(1,180)	(1,186)
Net cash used in operating activities	(12,153)	(7,250)
Cash Flows from Investing Activities:		
Purchases of capital assets	(81)	(653)
Cash paid for acquisition, net of cash acquired	(2,983)	—
Cash advance on convertible note receivable in connection with an acquisition	(4,000)	—
Net cash used in investing activities	(7,064)	(653)
Cash Flows from Financing Activities:		
Proceeds from the exercise of options and grant of stock awards, net of repurchase	3,543	1,594
Taxes paid related to net settlement of equity awards	(4,725)	(1,149)
Proceeds from borrowings	—	3,115
Payments on borrowings	(41)	(3,115)
Issuance of common stock, net of $5,757 of transaction costs	193,064	—
Cash received in connection with issuance of convertible notes	2,110	—
Net cash provided by financing activities	193,951	445
Net increase/(Decrease) in Cash, Cash Equivalents, and Restricted Cash	174,734	(7,458)
Cash, Cash Equivalents and Restricted Cash at the Beginning of the Period	56,611	64,069
Cash, Cash Equivalents, and Restricted Cash at the End of the Period	$ 231,345	$ 56,611
Supplemental disclosure:		
Cash paid during the period for interest	$ (24)	$ —
Cash paid during the period for taxes	(33)	—
Non-cash investing and financing activities:		
Fair value of stock issued in connection with an acquisition	13,821	—
Fair value of convertible debt issued in connection with an acquisition	11,597	—
Fair value of contingent consideration issued in connection with an acquisition	5,900	—
Fair value of vested options assumed in connection with an acquisition	533	—
Forgiveness of convertible note receivable in connection an acquisition	4,023	—
Relative fair value of warrants issued with convertible debt	844	—
Beneficial conversion feature related to convertible debt	603	—
Fair value of bifurcated derivative related to convertible debt	663	—
Total non-cash investing and financing activities:	37,984	—

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

(Dollars in U.S. $, in thousands)

The following table provides a table of cash, cash equivalents, and restricted cash reported within the balance sheets totaling the same such amounts shown above:

	December 31, 2021	December 31, 2020
Cash and cash equivalents	$ 230,990	$ 56,413
Restricted cash	355	198
Total cash, cash equivalents, and restricted cash	$ 231,345	$ 56,611

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

1. Nature of Business

Life360, Inc. (the "Company") is a platform for today's busy families, bringing them closer together by helping them better know, communicate with, and protect the people they care about most. The Company was incorporated in the State of Delaware in April 2007. The Company's core offering, the Life360 mobile application, is now a market leading mobile application for families, with features that range from communications to driving safety and location sharing. The Company operates under a "freemium" model where its core offering is available to users at no charge, with three membership subscription options that are available but not required. The Company also generates revenue through data monetization arrangements with certain third parties ("Data Revenue Customers") through data acquisition and license agreements and anonymized insights into the data collected from the Company's user base in partnership with third parties. On September 1, 2021, the Company acquired all the ownership interests of Jio, Inc ("Jiobit"). Jiobit is a provider of wearable location devices for young children, pets, and seniors.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements and accompanying notes have been prepared in accordance with generally accepted accounting principles in the United States, or ("GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). The consolidated financial statements and accompanying notes are presented in US dollars, unless otherwise stated.

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 and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenue and expenses during the reporting period. Significant estimates made by management include, but are not limited to, the determination of revenue recognition, accounts receivable allowance, average useful customer life, stock-based compensation, legal contingencies, assessment of possible impairment of long-lived assets and goodwill, valuation of contingent consideration, convertible notes and embedded derivatives, useful lives of long lived assets and income taxes including valuation allowances on deferred tax assets. The Company bases its estimates and judgments on historical experience and on various assumptions that it believes are reasonable under the circumstances. Actual results could differ significantly from those estimates.

Recently adopted accounting pronouncements

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In October 2021, the FASB issued ASU 2021-08, *Business Combinations* (Topic 805), Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which requires contract assets and contract liabilities (i.e., deferred revenue) acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with ASC 606, *Revenue from Contracts with Customers*. The guidance should be applied prospectively to acquisitions occurring on or after the effective date. The guidance is effective for the Company beginning January 1, 2024, and interim periods therein. Early adoption is permitted, including in interim periods, for any financial statements that have not yet been issued. The Company elected to early adopt ASU 2021-08 on September 1, 2021, and the Company has accounted the acquired deferred revenue based on historical carrying value rather than fair value on the consolidated financial statements and related disclosures.

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In December 2019, the FASB issued ASU No. 2019-12, *Simplifying the Accounting for Income Taxes* ("ASU 2019-12"), as part of its initiative to reduce complexity in accounting standards. ASU 2019-12 removes the

following exceptions: exception to the incremental approach for intraperiod tax allocation; exception to accounting for basis differences when there are ownership changes in foreign investments; and exception to interim period tax accounting for year-to-date losses that exceed anticipated losses. ASU 2019-12 also improves financial reporting for franchise taxes that are partially based on income; transactions with a government that result in a step up in the tax basis of goodwill; separate financial statements of legal entities that are not subject to tax; and enacted changes in tax laws in interim periods. ASU 2019-12 is effective for public business entities in fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. For all other entities, the standard is effective in fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption of the standard is permitted, including adoption in interim or annual periods for which financial statements have not yet been issued. On January 1, 2021, Life360 adopted ASU 2019-12 and the standard did not have a material impact on its consolidated financial statements and related disclosures.

Accounting pronouncements not yet adopted

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments,* which changes the existing incurred loss impairment model for financial assets held at amortized cost. The new model uses a forward-looking expected loss method to calculate credit loss estimates. These changes will result in earlier recognition of credit losses. This guidance is effective for the Company on January 1, 2023 with early adoption permitted. The Company is currently evaluating the impact of the adoption of this standard on its consolidated financial statements and related disclosures and does not expect a material impact.

In August 2020, the FASB issued ASU No. 2020-06, *Debt – Debt with Conversion and Other Options* (Subtopic 470-20) which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. Among other changes, ASU 2020-06 removes from U.S. GAAP the liability and equity separation model for convertible instruments with a cash conversion feature, and as a result, after adoption, entities will no longer separately present in equity an embedded conversion feature for such debt. Similarly, the embedded conversion feature will no longer be amortized into income as interest expense over the life of the instrument. Instead, entities will account for a convertible debt instrument wholly as debt unless (1) a convertible instrument contains features that require bifurcation as a derivative under ASC Topic 815, *Derivatives and Hedging*, or (2) a convertible debt instrument was issued at a substantial premium. Additionally, ASU 2020-06 requires the application of the if-converted method to calculate the impact of convertible instruments on diluted earnings per share, which will result in increased dilutive securities as the assumption of cash settlement of the notes will not be available for the purpose of calculating earnings per share. The provisions of ASU 2020-06 are effective for reporting periods beginning after December 15, 2023, with early adoption permitted for reporting periods beginning after December 15, 2020, and can be adopted on either a fully retrospective or modified retrospective basis. The Company is currently evaluating the timing, method of adoption, and overall impact of this standard on its consolidated financial statements.

Revenue Recognition

The Company recognizes revenue upon transfer of control of promised goods or services to customers at transaction price, an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Transaction price is calculated as selling price net of variable consideration which may include estimates for future returns and sales incentives related to current period revenue. The Company determines revenue recognition through the following steps: (i) identify the contract(s) with a customer; (ii) identify the

performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the Company satisfies a performance obligation. The Company only applies the five-step model to contracts when it is probable that Company will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer.

Contracts with Multiple Performance Obligations

Some of the Company's contracts with customers contain multiple performance obligations, primarily hardware and subscription services for the Jio tracker. For these contracts, the Company accounts for individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative stand-alone selling price ("SSP") basis with the amounts allocated to ongoing services deferred and recognized over a period of time. The Company determines SSP based on observable, if available, prices for those related services when sold separately. When such observable prices are not available, the Company determines SSP based on overarching pricing objectives and strategies, taking into consideration market conditions and other factors, including customer size, volume purchased, market and industry conditions, product-specific factors and historical sales of the deliverables.

Cost of Revenue

Cost of revenue includes all direct costs to deliver the Company's product including third-party hosting fees related to the Company's cloud services, product costs associated with Jiobit location sharing devices and accessories, salaries, benefits, share-based compensation, IT and allocated overhead. The Company recognizes these expenses as they are incurred.

Costs Capitalized to Obtain Contracts

Costs capitalized to obtain contracts comprise of revenue-share payments to the Company's Channel Partners in connection with annual subscription sales of the Company's mobile application on each respective mobile application store platform. Costs that are incremental and directly related to new customer sales contracts in which revenue is deferred are accrued and capitalized upon execution of a non-cancelable customer contract, and subsequently expensed over the average life of the customer relationship, which is currently estimated to be two years. The Company has elected the practical expedient under ASC 340-4 to expense incremental costs of obtaining a contract if the amortization periods is one year or less.

Allowance for Doubtful Accounts

The Company makes judgments as to its ability to collect outstanding accounts receivable and provide allowances for accounts receivable when and if collection becomes doubtful. To date, the Company has not recorded any significant credit losses on customer accounts and it had no allowance for doubtful accounts as of December 31, 2021 and 2020.

Inventory

Inventory is comprised of raw materials and finished goods such as Jiobit location sharing devices and accessories. Inventory is stated using actual costing on a first-in, first-out basis. The Company assesses the valuation of inventory and periodically writes down the value for estimated excess and obsolete inventory based upon estimates of future demand and market conditions. The Company's inventory is held at third party warehouses and contract manufacturer premises.

Significant Risks and Uncertainties

The Company is subject to certain risks and uncertainties that could have a material and adverse effect on its future financial position or results of operations. The Company's customers are primarily individuals with smart phones, who subscribe to the Company's product offerings through market exchanges operated by channel partners and Data Revenue Customers. Any changes in customer preferences and trends or changes in terms of use of channel partners' platforms could have an adverse impact on its results of operations and financial condition.

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash, cash equivalents and accounts receivable. The Company limits its exposure to credit loss by placing cash and cash equivalents with a financial institution of high credit standing. Deposits of cash and cash equivalents may exceed the amount of insurance provided by the Federal Deposit Insurance Corporation ("FDIC") on these deposits.

The Company depends on the constant real-time performance, reliability and availability of our technology system and access to our partner's networks. The Company relies on a single technology partner for its cloud platform and a single contract manufacturer to assemble components of the Jiobit hardware device. Any adverse impacts to the platform and the contract manufacturer could negatively impact our relationships with our partners or Users and may adversely impact our business, financial performance and reputation.

The Company derives its accounts receivable from revenue earned from customers located in the United States and internationally. The Company does not perform ongoing credit evaluations of its customers' financial condition and does not require collateral from its customers. Historically, credit losses have been insignificant. Channel partners account for the majority of the Company's revenue and accounts receivable for all periods presented. Accounts receivable contains $1.9 million and $1.4 million of unbilled receivables as at December 31, 2021 and 2020, respectively.

The following table sets forth the information about our channel partners and customers who represented greater than 10% of our revenue or accounts receivable, respectively:

	Percentage of Revenue Year Ended December 31,		Percentage of Gross Accounts Receivable As of December 31,	
	2021	2020	2021	2020
Channel Partner A	57%	54%	48%	37%
Channel Partner B	18%	18%	14%	11%
Data Revenue Customer B	*	*	*	17%

* Represents less than 10%

Research and Development Costs

The Company charges costs related to research, design and development of products to research and development expense as incurred. These costs consist of payroll related expenses, contractor fees, outside third party vendors, and allocated facilities costs.

Advertising Expense

Advertising expense was $7.1 million and $6.7 million for the years ended December 31, 2021 and 2020, respectively. Advertising expenses are recorded in the period in which cost is incurred.

Cash and Cash Equivalents

The Company considers all highly liquid investment securities with remaining maturities at the date of purchase of three months or less to be cash equivalents. Cash and cash equivalents include deposit and money market funds.

Restricted Cash

Deposits of $0.4 million and $0.2 million, were restricted from withdrawal as of December 31, 2021 and 2020, respectively. The restriction is related to securing the Company's facility leases which expire in 2022 and 2024 in accordance with the operating lease agreements, as amended. The restrictions on these balances will be released in accordance with the operating lease agreements, as amended. These balances are included in Restricted Cash on the accompanying consolidated Balance Sheets.

Fair Value of Financial Instruments

The Company uses fair value measurements to record fair value adjustments to certain financial and non-financial assets and liabilities to determine fair value disclosures. The accounting standards define fair value, establish a framework for measuring fair value, and require disclosures about fair value measurements. Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the principal or most advantageous market in which the Company would transact are considered along with assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance. The accounting standard for fair value establishes a fair value hierarchy based on three levels of inputs, the first two of which are considered observable and the last unobservable, that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The three levels of Inputs that may be used to measure fair value are as follows:

Level 1 – Observable inputs, such as 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, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Valuations based on unobservable inputs to the valuation methodology and including data about assumptions market participants would use in pricing the asset or liability based on the best information available under the circumstances.

For the years ended December 31, 2021 and 2020, the recorded carrying amounts of cash and cash equivalents, prepaid expenses, accounts payable, and accounts receivable approximates fair value due to their short-term nature. Refer to Note 7 "Fair Value Measurements" for further details.

Property and Equipment, net

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Equipment, computer software, furniture, and product manufacturing equipment have estimated useful lives ranging from three to ten years. Leasehold improvements are amortized on a straight-line basis over the lesser of the estimated useful life or the term of the lease with expected renewals.

Costs of maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the balance sheet and the resulting gain or loss is reported in cost and expenses, net in the period realized.

Software Development Costs

For development costs related to internal use software projects, the Company capitalizes costs incurred during the application development stage. Costs related to preliminary project activities and post implementation activities are expensed as incurred. Internal-use software is amortized on a straight-line basis over its estimated useful life. The Company did not capitalize internal use software costs during the years ended December 31, 2021 and 2020 as the capitalizable costs were not material.

Lease Obligations

Operating lease right-of-use assets and lease liabilities are recognized at the present value of the future lease payments at commencement date. The interest rate implicit in the Company's operating leases is not readily determinable, and therefore an incremental borrowing rate is estimated to determine the present value of future payments. The estimated incremental borrowing rate factors in a hypothetical interest rate on a collateralized basis with similar terms, payments, and economic environments. Operating lease right-of-use assets also include any prepaid lease payments and lease incentives.

Certain of the operating lease agreements contain rent concession, rent escalation, and option to renew provisions. Rent concession and rent escalation provisions are considered in determining the straight-line single lease cost to be recorded over the lease term. Single lease cost is recognized on a straight-line basis over the lease term commencing on the date the Company has the right to use the leased property. The lease terms may include options to extend or terminate the lease. The Company generally uses the base, non-cancellable, lease term when recognizing the lease assets and liabilities, unless it is reasonably certain that the renewal option will be exercised.

In addition, certain of the Company's operating lease agreements contain tenant improvement allowances from its landlords. These allowances are accounted for as lease incentives and decrease the Company's right-of-use asset and reduce single lease cost over the lease term. Refer to Note 9 for Leases disclosure.

Business Combinations

The Company uses best estimates and assumptions to assign a fair value to the tangible and intangible assets acquired and liabilities assumed in business combinations as of the acquisition date. These estimates are inherently uncertain and subject to refinement. During the measurement period, which may be up to one year from the acquisition date, adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed may be recorded, with the corresponding offset to goodwill. 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 statements of operations and comprehensive loss.

Goodwill

Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible and intangible assets acquired. Goodwill amounts are not amortized but tested for impairment on an annual basis. There was no impairment of goodwill as of December 31, 2021.

Intangible Assets, net

Intangible assets, including acquired patents, trademarks, customer relationships, and acquired developed technology, are carried at cost and amortized on a straight-line basis over their estimated useful lives, with the exception of customer relationships which is amortized on an accelerated basis. The Company determines the appropriate useful life of the Company's intangible assets by measuring the expected cash flows of acquired assets.

Impairment of Long-Lived Assets

The Company assesses the impairment of long-lived assets, such as property and equipment subject to depreciation and acquired intangibles subject to amortization, when events or changes in circumstances indicate that their carrying amount may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset.

The Company reviews goodwill for impairment at least annually, or more frequently if events or changes in circumstances would more likely than not reduce the fair value of its single reporting unit below its carrying value.

Deferred Revenue

Deferred revenue consists primarily of payments received and accounts receivable recorded in advance of revenue recognition under the Company's subscription arrangements. The Company primarily invoices its customers for its subscription services arrangements in advance. Amounts anticipated to be recognized within one year of the balance sheet date are recorded as deferred revenue, current; the remaining portion is recorded as deferred revenue, noncurrent in the consolidated balance sheets.

Common Stock Warrants

The Company has issued freestanding warrants to purchase shares of common stock in connection with certain debt financing transactions. The warrants are recorded as equity instruments at the grant date fair value using the Black-Scholes option pricing model and are not subject to revaluation at each balance sheet date.

In addition, the Company has issued warrants in connection with the convertible note agreements. The warrants are recorded as equity instruments at the grant date fair value using the Black-Scholes option pricing model. The fair value has been recorded as a debt discount that is being amortized to interest expense under the straight-line method over the term of respective convertible notes.

Stock-Based Compensation

The Company has an equity incentive plan under which various types of equity-based awards including, but not limited to, incentive stock options, non-qualified stock options, restricted stock units, and restricted stock awards, may be granted to employees, nonemployee directors, and nonemployee consultants.

For all equity awards granted to employees, nonemployees and directors, the Company recognizes compensation expense based on the grant-date estimated fair values. The fair value of stock options is determined using the Black-Scholes option pricing model. For restricted stock units and restricted stock awards, the fair value is based on the grant date fair value of the award. The Company recognizes compensation expense for stock option awards, restricted stock units, and restricted stock awards on a straight-line basis over the requisite service period of the award, generally three to four years. Forfeitures are recorded as they occur.

In 2020, the Company granted a market performance award to an executive that is subject to time-based vesting requirements in which vesting is contingent upon the Company's achievement of certain market performance goals. The fair value of such performance awards was determined using a Monte Carlo simulation and is recognized under the accelerated attribution method over a four year period.

In 2021, the Company issued stock options and restricted stock that have performance-based vesting conditions. For awards that include a performance condition, if the performance condition is determined to be probable of being satisfied, the Company recognizes compensation expense related to such awards using the accelerated attribution method over the required performance period. If a performance condition is not probable of being met, no compensation cost is recognized. Refer to Note 15, "Equity Incentive Plan" for further details.

Income Taxes

The Company accounts for income taxes under the asset and liability method. The Company estimates actual current tax exposure together with assessing temporary differences resulting from differences in accounting for reporting purposes and tax purposes for certain items, such as accruals and allowances not currently deductible for tax purposes. These temporary differences result in deferred tax assets and liabilities, which are included in the Company's balance sheets. In general, deferred tax assets represent future tax benefits to be received when certain expenses previously recognized in the Company's statements of operations and comprehensive loss become deductible expenses under applicable income tax laws or when net operating loss or credit carryforwards are utilized. Accordingly, realization of the Company's deferred tax assets is dependent on future taxable income against which these deductions, losses and credits can be utilized.

The Company must assess the likelihood that the Company's deferred tax assets will be recovered from future taxable income, and to the extent the Company believes that recovery is not likely, the Company establishes a valuation allowance. The assessment of whether or not a valuation allowance is required often requires significant judgment including current and historical operating results, the forecast of future taxable income and on-going prudent and feasible tax planning initiatives.

The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. During the years ended December 31, 2021 and 2020, the Company did not accrue any interest or penalties related to income tax positions.

Contingencies

From time to time, the Company may have certain contingent liabilities that arise in the ordinary course of business. The Company evaluates the likelihood of an unfavorable outcome in legal or regulatory proceedings to

which it is a party and records a loss contingency on an undiscounted basis when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These judgments are subjective and based on the status of such legal proceedings, the merits of the Company's defenses, and consultation with legal counsel. Actual outcomes of these legal proceedings may differ materially from the Company's estimates. The Company estimates accruals for legal expenses when incurred as of each balance sheet date based on the facts and circumstances known to the Company at that time.

Segment Information

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Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the enterprise's chief operating decision maker ("CODM"), or decision-making Company, in deciding how to allocate resources and in assessing performance. The Company's Chief Executive Officer is the CODM. The Company has concluded that it has two operating segments and one reportable segment. The Company's long-lived assets are all based in the United States.

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Net Loss per Share

The Company computes basic and diluted net loss per share attributable to common stockholders in conformity with ASC 260, "Earnings per Share." Basic net loss per share attributable to common stockholders is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period without consideration for potentially dilutive securities as they do not share in losses. The diluted net loss per share attributable to common stockholders is computed giving effect to all potential dilutive common stock equivalents outstanding for the period. For purposes of this calculation, options to purchase common stock, common stock warrants, common stock convertible notes, and unvested restricted stock units are considered common stock equivalents but have been excluded from the calculation of diluted net loss per share attributable to common stockholders as the effect is antidilutive.

3. Impact of the COVID-19 Pandemic

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spread globally beyond its point of origin. In 2021, as the administration of the vaccine program increased and cases declined, the Company continued to evaluate and refine our strategy to respond to the pandemic. Despite the uncertainty of the impact of the COVID-19 pandemic on our operational and financial performance, the Company has experienced positive performance as conditions improved.

The Company resumed paid user acquisition spend which was deliberately scaled back in response to COVID-19 in prior period and has expanded into new channels such as streaming TV. The Company considered the impact of COVID-19 on the assumptions and estimates used and determined that there were no material adverse impacts on the consolidated financial statements for the year ended December 31, 2021. As events continue to evolve and additional information becomes available, the Company's assumptions and estimates may change materially in future periods.

Paycheck Protection Program

The Company determined that the original eligibility requirements per the guidelines established by the U.S. federal government as part of the CARES Act for the Paycheck Protection Program (the "PPP") were met. As such, in April 2020, the Company received $3.1 million in loans from the PPP. Because the U.S. government subsequently changed its position and guidelines related to the PPP and publicly traded companies, the Company repaid the loans in May 2020.

4. Revenue

Revenue by geography is generally based on the address of the customer as defined in the Company's agreement. The following table sets forth revenue by geographic area (in thousands):

	Year Ended December 31,	
	2021	2020
United States	$ 100,857	$ 69,776
International*	11,786	10,879
Total Revenue	$ 112,643	$ 80,655

* Represents less than 10%

Subscription Revenue

The Company's subscription revenue includes related support and is comprised of Life360 mobile application subscription as well as subscription service plans for the Jiobit hardware tracking device. The Company's subscription contracts with customers are established at the point of mobile application download and purchase as indicated through acceptance of the Company's Standard Service Terms.

The cloud-based subscriptions are considered single combined performance obligations, consisting of multiple features that can be purchased separately, but which are bundled together and delivered to the customer as a combined output. The Company provides its customers with technical support along with unspecified updates and upgrades to the platform on an if and when available basis.

The subscription service plan for the Jiobit hardware tracking device is a distinct and separate performance obligation from the hardware. Subscription fees are fixed and recognized on a straight-line basis over the non-cancellable contractual term of the agreement, generally beginning on the date that the Company's service is made available to the customer.

Subscription revenue for the years ended December 31, 2021 and 2020 was $86.6 million and $58.5 million, respectively.

Other Revenue

Data Revenue

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The Company's data revenue consists primarily of data revenue and partnership revenue. The Company's data revenue is comprised of Life360 data monetization arrangements with certain third parties established through Data Master Service Agreements (collectively, "Data MSAs"), which outline specific terms governing the access and use of data and related fees. The Company determines a contract to exist upon the mutual execution of a Data MSA. Customers have the ability to access the Company's data over the contract term, in which customers pay a fee based on average active monthly users.

The transaction price is determined based on the consideration to which the Company expects to be entitled in exchange for transferring data to the customer. The Company estimates and includes variable consideration in the transaction price at contract inception to the extent it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. In estimating variable consideration in data arrangements, the Company considers

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historical experience and other external factors that may impact the expectation of future data usage. At each reporting period, the Company assesses actual and expected data usage that will be earned for the duration of the contract term.

Access to the Company's data represents a series of distinct services as the Company continually provides access to the data, fulfills its obligation to the customer over the non-cancelable contractual term, and the customer receives and consumes the benefit of the data throughout the contract period. The series of distinct services represents a single performance obligation that is satisfied over time. The Company recognizes fees for data arrangements over the term of the agreement as the data is provided to the customer. Data revenue for the years ended December 31, 2021 and 2020 was $18.7 million and $16.0 million, respectively.
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Partnership Revenue

Partnership revenue includes agreements with third parties to provide access to advertising on the Company's mobile platform. The Company receives a percentage of the advertising spend as a fee, which is recognized as revenue on a net basis. The variable amounts earned under partnership revenue arrangements are allocable to the month in which the advertising is placed, which is reset on a monthly basis. As such, the Company will recognize revenue monthly based on the advertising placed. Partnership revenue for the years ended December 31, 2021 and 2020 was $6.4 million and $6.0 million, respectively.

Hardware Revenue

The Company derives hardware revenue from sale of the Jiobit hardware location sharing devices and related accessories. For hardware and accessories, revenue is recognized at the time products are delivered. The Company offers limited rights of return and estimates reserves based on historical experience and records the reserves as a reduction of revenue and an accrued liability. Amounts billed to customers for shipping and handling are classified as revenue, and the Company's related shipping and handling costs incurred are classified as cost of revenue. Sales taxes collected from customers and remitted to respective governmental authorities are recorded as liabilities and are not included in revenue.

The Company's hardware and the embedded operating system / platform are one distinct performance obligation and separate from the subscription service plans for the Jiobit hardware tracking device. The Company's embedded operating system / platform is a component of the hardware that is integral to the functionality of the hardware and only together produce the essential functionality of the hardware.

The Company offers extended warranties and hardware protection plans that are recognized over the contractual service period (typically 1 to 2 years).

Hardware revenue for the years ended December 31, 2021 and 2020 was $1.0 million and $0 million, respectively.

5. Deferred Revenue

Deferred revenue, which is a contract liability, consists primarily of payments received and accounts receivable recorded in advance of revenue recognition under the Company's contracts with customers and is recognized as the revenue recognition criteria are met.

Deferred revenue consists of the following (in thousands):

As of December 31, 2021	Subscription revenue	Other revenue	Total
Beginning Balance	$ 11,686	$ 169	$ 11,855
Additions to deferred revenue	88,729	2,815	91,544
Recognized revenue in the period	(86,551)	(2,919)	(89,470)
Ending Balance	**$ 13,864**	**$ 65**	**$ 13,929**
As of December 31, 2020			
Beginning Balance	$ 11,043	$ 42	$ 11,085
Additions to deferred revenue	59,115	420	59,535
Recognized revenue in the period	(58,472)	(293)	(58,765)
Ending Balance	**$ 11,686**	**$ 169**	**$ 11,855**

6. Costs Capitalized to Obtain Contracts

The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs. The Company determined that its costs to obtain contracts were both direct and incremental. These costs are attributable to the Company's largest channel partners.

Renewal contracts are considered non-commensurate with new contracts as the Company pays a different commission rate for renewals. Accordingly, the guidance requires that specifically anticipated renewal periods should be taken into consideration in determining the required amortization period. Specifically, under the guidance of ASC 340-40, the Company is required to estimate the specifically anticipated renewals after the initial contract to which the initial commission asset relates. The total amortization period is then equal to the initial contractual term plus all specifically anticipated renewals that relate to the initial commission asset. Based upon its assessment of historical data and other factors, the Company concluded that its average customer life was approximately two years, which is used as the amortization period for all capitalized contract acquisition costs.

The following table represents a rollforward of the Company's Costs Capitalized to Obtain Contracts, net (in thousands)

	December 31, 2021	December 31, 2020
Beginning Balance	$ 3,950	$ 5,731
Additions to deferred commissions	1,713	3,210
Amortization of deferred commissions	(4,014)	(4,991)
Ending Balance	$ 1,649	$ 3,950
Costs Capitalized to Obtain Contracts, current	1,319	3,381
Costs Capitalized to Obtain Contracts, noncurrent	330	569
Total Costs Capitalized to Obtain Contracts	$ 1,649	$ 3,950

7. Fair Value Measurements

The Company measures and reports certain financial instruments as assets and liabilities at fair value on a recurring basis. These liabilities, consisting of convertible notes to purchase shares of the Company's common stock and contingent consideration, are considered Level 3 instruments.

The fair value of these instruments as of December 31, 2021 is classified as follows (in thousands):

	As of December 31, 2021		
	Level 1	Level 2	Level 3
Liabilities:			
Derivative liability (Note 11)	$ —	$ —	$ 1,396
Convertible notes (Note 8 and Note 10)	—	—	12,293
Contingent consideration (Note 8)	—	—	9,500
Total	**$ —**	**$ —**	**$23,189**

The Company had no instruments classified at fair value as of December 31, 2020.

The change in fair value of the convertible notes and contingent liability were as follows (in thousands):

	As of December 31, 2021		
	Derivative liability	Convertible notes (Note 8)	Contingent consideration
Fair value, beginning of the year	$ —	$ —	$ —
Issuance of derivative liability	663	—	—
Issuance of convertible notes	—	11,597	—
Issuance of revesting notes	—	186	—
Issuance of contingent consideration	—	—	5,900
Changes in fair value	733	510	3,600
Fair value, end of year	**$ 1,396**	**$ 12,293**	**$ 9,500**

The Company has recorded a loss associated with the change in fair value of the derivative liability and convertible notes of $0.7 million and $0.5 million, respectively which has been recorded in other (income)/expense in the consolidated statement of operations and comprehensive loss.

The Company has recorded a loss associated with the change in fair value of the contingent consideration of $3.6 million in general and administrative expense in the consolidated statement of operations and comprehensive loss.

8. Business Combination

On September 1, 2021, the Company completed the acquisition of Jiobit, a privately held consumer electronics company that specializes in the production of low powered sensors and wearables. The company is based in Chicago, Illinois with an additional development center in Silicon Valley, California and was founded in 2015. Jiobit has developed a small and long-lasting tracking solution. The mobile app, which is run through a wireless subscription service, offers a comprehensive set of monitoring and notification features. The addition of Jiobit is expected to strengthen and extend the Company's market leadership position by leveraging Jiobit's developed

technology and customer relationships to accelerate the Company's own product development and augment the Company with a critical mass of talent with strong tracking/wearables experience. The aggregate purchase consideration was $43.2 million, of which $7.3 million was paid in cash, $5.9 million of contingent consideration was payable upon reaching certain operational goals for 2021 and 2022, $11.6 million representing the fair value of convertible notes (the "September 2021 Convertible Notes"), $4.0 million representing forgiveness of Jiobit's convertible debt held by the Company, $0.6 million comprised of 25,245 vested common stock options issued to Jiobit employees ("replacement awards"), and $13.8 million comprised of 674,516 shares of the Company's common stock. Of the consideration transferred, $0.2 million in cash was placed in an indemnity escrow fund to be held for 18 months after the acquisition date for general representations and warranties.

The September 2021 Convertible Notes issued as part of the purchase consideration can be converted to common stock at any time subsequent to the acquisition at a fixed conversion price of $22.50 per share. On each of the first three annual anniversaries of the issuance date of the September 2021 Convertible Notes, the Company will repay 1/3rd of the unconverted principal plus accrued interest to the holders of such notes. Upon a change of control, the holder may elect to either convert at the fixed conversion price of $22.50 per share or be repaid in full. The Company has elected the fair value option and will remeasure the September 2021 Convertible Notes at their fair value on each reporting date and reflect the changes in fair value in earnings. The estimated fair value of the September 2021 Convertible Notes is determined using a combination of the present value of the cash flows and the Black-Scholes option pricing model using assumptions as follows:

	September 1, 2021	December 31, 2021
Principal	$ 11,206	$ 11,206
Interest rate	4.5%	4.5%
Common stock fair value per share	20.49	21.16
Conversion price per share	22.50	22.50
Risk-free interest rate	0.45%	0.88%
Time to exercise (in years)	3	2.7
Volatility	37%	43%
Annual dividend yield	0%	0%

The estimated fair value of the September 2021 Convertible Notes upon issuance was $11.6 million. The Company recorded $1,876 as general and administrative expense related to the change in the fair value of September 2021 Convertible Notes during the year ended December 31, 2021.

A total of $6.2 million was excluded from purchase consideration which consists of $1.9 million comprised of 91,217 shares of the Company's common stock ("Revesting Stock" – Note 15) and $1.6 million comprised of convertible notes ("Revesting Notes") issued to key employees, retention bonuses of $1.0 million, and $0.5 million comprised of 43,083 unvested common stock options issued to Jiobit employees ("Unvested Replacement Awards – Note 15). The Company incurred transaction related expenses of $1.0 million, which were expensed as incurred and recorded under general and administrative expenses in the consolidated statements of operations and comprehensive loss.

The Revesting Stock and Revesting Notes are restricted and vest with continuous employment of certain key employees over a 3-year period subsequent to the acquisition. The Revesting Stock is recognized in general and administrative as the Revesting Stock vests. The Company recorded $0.2 million as stock-based compensation included in general and administrative expense related to the vesting of the Revesting Stock for the year ended December 31, 2021.

The Company records the Revesting Notes at fair value and will remeasure the Revesting Notes at fair value on each reporting date. The Revesting Notes are recognized in general and administrative expense. As the Revesting Notes vest, the changes in fair value are recorded as general and administrative expense with a corresponding entry to convertibles notes. The estimated fair value of the Revesting Notes is determined using a combination of the present value of the Revesting Notes cash flows and the Black-Scholes option pricing model. The terms of the Revesting Notes are consistent with the terms of the September 2021 Convertible Notes. The Company recorded $0.2 million as general and administrative and a corresponding entry to convertible notes as a result of Revesting Notes vesting and $1,876 as general and administrative expense related to the changes in fair value of Revesting Notes during the year ended December 31, 2021.

The retention bonuses are recognized in the consolidated balance sheet and vest monthly over a period of 24 months and require continuous employment. The expense associated with the Unvested Replacement Awards is recognized as stock-based compensation ratably over the remaining service period.

The 2021 and 2022 contingent consideration is based on the achievement of a Qualifying Units Sold Target for the period January 1, 2021 through December 31, 2021 (“2021 Contingent Consideration”) and for the period January 1, 2022 through December 31, 2022 (“2022 Contingent Consideration”, collectively, “Contingent Consideration”). The Contingent Consideration consists of 301,261 and 451,891 shares for 2021 and 2022, respectively, with the amount paid equal to the attainment relative to target in each year and settled in shares of the Company’s common stock. The Contingent Consideration shares payable is determined based on the percentage achievement relative to the target in each period, respectively, with greater than 100% attainment resulting in 100% payment, 90% to 100% attainment resulting in the number of shares equal to the percentage attainment, and less than 90% attainment equal to no consideration. The Contingent Consideration is held at fair value with changes in fair value recognized in general and administrative expense. The estimated fair value of the Contingent Consideration is determined by using a Monte Carlo Simulation scenario-based analysis that estimates the fair value of the Contingent Consideration based on the probability-weighted present value of the expected future cash flows, considering possible outcomes based on actual and forecasted results. The estimated fair value of the 2021 and 2022 Contingent Consideration upon issuance was $0.1 million and $5.8 million, respectively. The Company recorded $3.6 million as general and administrative expense related to the change in the fair value of the Contingent Consideration during the year ended December 31, 2021.

The acquisition was accounted for as a business combination and the total purchase consideration was allocated to the net tangible and intangible assets and liabilities based on their fair values on the acquisition date and the excess was recorded to goodwill. The values assigned to the assets acquired and liabilities assumed are based on preliminary estimates of fair value available as of the date of these financial statements and may be adjusted during the measurement period of up to 12 months from the date of acquisition as further information becomes available. Any changes in the fair values of the assets acquired and liabilities assumed during the measurement period may result in adjustments to goodwill.

The assets acquired and liabilities assumed in connection with the acquisition were recorded at their fair value on the date of acquisition as follows (in thousands):

	September 1, 2021
Net tangible assets	$ 5,986
Intangible assets	8,400
Goodwill	30,363
Liabilities assumed	(1,551)
Total acquisition consideration	**$ 43,198**

The following table sets forth the components of identifiable intangible assets acquired and their estimated useful lives as of the date of acquisition:

	September 1, 2021	
	Total	Useful life (in years)
Developed technology	$4,030	5
Trade name	3,380	10
Customer relationship	990	10
Intangible assets	**$8,400**	

Goodwill represents the future economic benefits arising from other assets that could not be individually identified and separately recognized, such as the acquired assembled workforce of Jiobit. In addition, goodwill represents the future benefits as a result of the acquisition that will enhance the Company's product available to both new and existing customers and increase the Company's competitive position. The goodwill is not deductible for tax purposes.

The Company estimated and recorded a net deferred tax liability of $0.1 million after offsetting the acquired available tax attributes with the intangible assets shown in the table above. Refer to Note 16 "Income Taxes" for discussion of the partial release of the Company's valuation allowance relating to the deferred tax liability.

The results of operations of Jiobit are included in the accompanying consolidated statements of operations and comprehensive loss from the date of acquisition.

9. Balance Sheet Components

Inventory

Inventory consists of the following (in thousands):

	December 31, 2021	December 31, 2020
Raw materials	$ 1,298	$ —
Finished goods	711	—
Total	**$ 2,009**	**$ —**

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following (in thousands):

	December 31, 2021	December 31, 2020
Prepaid expenses	$ 9,798	$ 9,997
Other receivables	792	20
Total	**$ 10,590**	**$ 10,017**

Prepaid expenses primarily consist of certain cloud platform and customer service program costs.

Property and Equipment, net

Property and equipment, net consists of the following (in thousands):

	December 31, 2021	December 31, 2020
Computer equipment	$ 479	$ 461
Leasehold improvements	923	921
Production manufacturing equipment	378	—
Furniture and fixtures	422	423
Total Property and equipment	2,202	1,805
Less accumulated depreciation	(1,622)	(1,004)
Property and equipment, net	**$ 580**	**$ 801**

Depreciation expense was $0.5 million and $0.5 million for the years ended December 31, 2021 and 2020, respectively.

Prepaid Expenses and Other Assets, noncurrent

Prepaid expenses and other assets, noncurrent consist of the following (in thousands):

	December 31, 2021	December 31, 2020
Prepaid expenses	$ 3,324	$ 2,154
Other assets	367	30
Total	**$ 3,691**	**$ 2,184**

Prepaid expenses primarily consist of cloud platform costs.

Leases

The Company currently leases real estate space under non-cancelable operating lease agreements for its corporate headquarters in San Francisco and San Diego, California and Chicago, Illinois. The operating leases have remaining lease terms ranging from 1 to 4 years, some of which include the option to extend the lease.

The Company has recognized operating ROU assets, short term and long term lease liabilities of $1.6 million, $1.6 million and $0.3 million in "Prepaid expenses and other assets, noncurrent", "Accrued expenses and other liabilities" and "other noncurrent liabilities", respectively, on the Company's consolidated balance sheet as of December 31, 2021. As of December 31, 2021, the Company did not have any finance leases.

Operating lease costs were as follows (in thousands):

	Year Ended December 31,	
	2021	2020
Operating lease cost (1)	$ 1,470	$ 1,422

(1) Amounts include short-term leases, which are immaterial.

As of December 31, 2021, the weighted-average remaining term of the Company's operating leases was 1.3 years and the weighted-average discount rate used to measure the present value of the operating lease liabilities was 4.75% as of adoption date of January 1, 2020.

Maturities of the Company's operating lease liabilities, which do not include short-term leases, as of December 31, 2021 were as follows (in thousands):

	Operating leases
2022	$ 1,628
2023	237
2024	61
Total future minimum lease payments	1,926
Less imputed interest	(63)
Total liability	**$ 1,863**

Payments for operating leases included in cash from operating activities was $1.6 million for the year ended December 31, 2021.

Intangible Assets, net

Intangibles, net consists of the following (in thousands):

	December 31, 2021	December 31, 2020
Intellectual property	$ 225	$ 225
Licenses	237	237
Developed technologies	255	255
Trade name	3,380	—
Technology	4,030	—
Customer relationships	990	—
Total Intangible assets	9,117	717
Less accumulated amortization	(1,131)	(717)
Intangible assets, net	**$ 7,986**	**$ —**

Amortization expense was $0.4 million and $0.2 million for the years ended December 31, 2021 and 2020, respectively.

As of December 31, 2021, estimated remaining amortization expense for intangible assets by fiscal year is as follows (in thousands):

	Amount
2022	$1,243
2023	1,243
2024	1,243
2025 and beyond	4,257
Total	**$7,986**

The detail of intangible assets, net is as follows (in thousands):

As of December 31, 2021	Intellectual property	Licenses	Developed technologies	Trade name	Technology	Customer relationships
Total intangible assets	$ 225	$ 237	$ 255	$3,380	$ 4,030	$ 990
Less accumulated amortization	(225)	(237)	(255)	(113)	(268)	(33)
Intangible assets, net	**$ —**	**$ —**	**$ —**	**$3,267**	**$ 3,762**	**$ 957**

As of December 31, 2020	Intellectual property	Licenses	Developed technologies
Total intangible assets	$ 225	$ 237	$ 255
Less accumulated amortization	(225)	(237)	(255)
Intangible assets, net	**$ —**	**$ —**	**$ —**

Goodwill

Goodwill consists of the following (in thousands):

	December 31, 2021	December 31, 2020
Beginning balance	$ 764	$ 764
Acquisitions	30,363	—
Ending balance	**$ 31,127**	**$ 764**

Accruals and Other Current Liabilities

Accruals and other current liabilities consist of the following (in thousands):

	December 31, 2021	December 31, 2020
Accrued vendor expenses	$ 7,478	$ 1,950
Accrued compensation	1,324	1,825
Other current liabilities	171	—
Lease liability	1,574	1,460
Total	**$ 10,547**	**$ 5,235**

Other Non-Current Liabilities

Other non-current liabilities consist of the following (in thousands):

	December 31, 2021	December 31, 2020
Other deposit liabilities	$ 916	$ 701
Lease liability	289	1,607
Total	**$ 1,205**	**$ 2,308**

10. Convertible Notes

In July 2021, the Company issued convertible notes ("July 2021 Convertible Notes") to investors with an underlying principal amount of $2.1 million. The July 2021 Convertible Notes accrue simple interest at an annual rate of 4%, and mature on July 1, 2026. The July 2021 Convertible Notes may be settled under the following scenarios at the option of the holder: (i) at any time into common shares equal to the conversion amount of outstanding principal and any accrued but unpaid interest divided by the conversion price of $11.96; (ii) at the option of the holder upon a liquidation event a) paid in cash equal to the outstanding principal and any accrued but unpaid interest or b) into common shares equal to the conversion amount of outstanding principal and any accrued but unpaid interest divided by the conversion price of $11.96; or (iii) upon maturity, settlement in cash at the outstanding accrued interest and principal amount.

Certain conversion and redemption features of the July 2021 Convertible Notes were determined to not be clearly and closely associated with the risk of the debt-type host instrument and were required to be separately accounted for as derivative financial instruments. The Company bifurcated these embedded conversion and redemption ("embedded derivatives") features and classified these as liabilities measured at fair value. The fair value of the derivative liability of $0.7 million was recorded separate from the July 2021 Convertible Notes with an offsetting amount recorded as a debt discount. The debt discount is amortized over the estimated life of the debt using the straight-line method, as the value attributable to the July 2021 Convertible Notes was zero upon issuance.

As of December 31, 2021 the unamortized amount and net carrying value of the July 2021 Convertible Notes is $1.9 million and $0.2 million, respectively. The amount by which July 2021 Convertible Notes if-converted value exceeds its principal is $1.6 million as of December 31, 2021.

In connection with the July 2021 Convertible Notes, the Company issued warrants to purchase 88,213 shares of the Company's common stock with an exercise price of $0.01 per share and a term of one year (Warrant Tranche 1), 44,106 shares of the Company's common stock with an exercise price of $11.96 per share and a term of 5 years (Warrant Trance 2), and 44,106 shares of the Company's common stock which is exercisable starting twelve months from the issuance date with an exercise price of $11.96 per share and a term of 5 years (Warrant Tranche 3).

The fair value of the warrants was determined using the Black-Scholes option-pricing method, with the following assumptions:

	Warrants Tranche 1	Warrants Tranche 2	Warrants Tranche 3
Fair market value of common stock	$ 15.36	$ 15.36	$ 15.36
Expected dividend yield	— %	— %	— %
Risk-free interest rate	0.09%	0.89%	0.89%
Expected volatility	52.0%	47.4%	47.4%
Expected term (in years)	1	5	5

The warrants were recorded to additional paid-in capital during the year ended December 31, 2021. The relative fair value of the warrants issued in connection with the July 2021 Convertible Notes was $0.8 million, and was recorded as a debt discount that is being amortized to interest expense under the straight-line method over the term of respective convertible notes.

As a result of the beneficial conversion feature associated with the July 2021 Convertible Notes, $0.6 million was added to additional paid-in capital during the year ended December 31, 2021. The beneficial conversion feature was recorded as a debt discount and is being amortized to interest expense under the straight-line method over the term of the respective notes.

The Company recognized a total of $0.2 million in non-cash interest expense related to the July 2021 Convertible Notes during the year ended December 31, 2021.

The Company has also issued convertible notes, September 2021 Convertible Notes, in connection with an acquisition. Refer to Note 8 “Business Combinations” for further details.

Convertible notes, current and noncurrent consist of the following (in thousands):

	December 31, 2021	December 31, 2020
Convertible notes, current:		
September 2021 Convertible Notes	$ 4,160	$ —
Revesting Notes	62	—
Convertible notes, noncurrent:		
July 2021 Convertible Notes	213	—
September 2021 Convertible Notes	7,947	—
Revesting Notes	124	—
Total	**$ 12,506**	**$ —**

11. Derivative Liability

The Company’s derivative liability represents embedded share-settled redemption features bifurcated from its July 2021 Convertible Notes and is carried at fair value. The changes in the fair value of the derivative liability are recorded in other (income)/expense of the Company’s consolidated statements of operations and comprehensive loss.

Estimating fair values of derivative financial instruments requires the development of significant and subjective estimates that may, and are likely to, change over the duration of the instrument with related changes in internal and external market factors. Since derivative financial instruments are initially and subsequently carried at fair value, the Company's income will reflect the volatility in these estimate and assumption changes.

The features embedded in the July 2021 Convertible Notes are combined into one compound embedded derivative. The fair value of the embedded derivative was estimated based on the present value of the redemption discount applied to the principal amount of the July 2021 Convertible Notes adjusted to reflect the weighted probability of exercise. The discount rate was based on the risk-free interest rate.

Upon the issuance of the convertible notes, the Company recorded a derivative liability of $0.7 million at fair value using inputs classified as Level 3 in the fair value hierarchy. Refer to Note 7 for further details.

12. Commitments and Contingencies

Purchase Commitments

The Company has certain commitments from outstanding purchase orders primarily related to technology support, facilities, marketing and branding and professional services. These agreements, which total $11.0 million and $21.0 million for the years ended December 2021 and 2020, respectively, are cancellable at any time with the Company required to pay all costs incurred through the cancellation date.

Contingencies

From time to time, the Company may have certain contingent liabilities that arise in the ordinary course of business activities. The Company accrues a liability for such matters when it is probable that future expenditures will be made, and such expenditures can be reasonably estimated. The Company is not subject to any current pending legal matters or claims that would have a material adverse effect on its financial position, results of operations or cash flows.

Indemnification

The Company enters into standard indemnification agreements in the ordinary course of business. Pursuant to these arrangements, the Company indemnifies, holds harmless, and agrees to reimburse the indemnified parties for losses suffered or incurred by the indemnified party, in connection with any trade secret, copyright, patent or other intellectual property infringement claim by any third party with respect to its technology. The term of these indemnification agreements is generally perpetual after the execution of the agreement. The maximum potential amount of future payments the Company could be required to make under these agreements is not determinable because it involves claims that may be made against the Company in the future but have not yet been made. The Company has not incurred costs to defend lawsuits or settle claims related to these indemnification agreements.

The Company has entered into indemnification agreements with its directors and officers that may require the Company to indemnify its directors and officers against liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct of the individual. No amounts associated with such indemnifications have been recorded to date.

13. Common Stock

As of December 31, 2021 and 2020, the Company was authorized to issue up to 100,000,000 shares of par value $0.001 per share common stock.

As of December 31, 2021 and 2020, the Company had 108,592 shares of common stock subject to the Company's right to repurchase.

The Company has also issued shares of common stock as a result of stock option exercises throughout its existence. Common stockholders are entitled to dividends when and if declared by the Board of Directors. The holder of each share of common stock is entitled to one vote. The common stockholders voting as a class are entitled to elect three members to the Company's Board of Directors. No dividends have been declared in the Company's existence.

In December 2021, the Company issued a total of 7,779,014 common shares raising proceeds before issuance costs of $198.7 million.

The Company had reserved shares of common stock, on an as if converted basis, for issuance as follows:

As of December 31,	2021	2020
Issuances under stock incentive plan	6,972,376	7,794,313
Issuances upon exercise of common stock warrants	272,001	140,576
Issuances upon vesting of restricted stock units	2,523,122	2,299,417
Issuances of convertible notes	686,926	—
Shares reserved for shares available to be granted but not granted yet	4,071,403	2,507,307
	14,525,828	**12,741,613**

14. Warrants

As of December 31, 2021 and 2020, the Company had outstanding warrants to purchase 272,001 shares and 140,576 of Company common stock, respectively with exercise prices ranging from $0.01 to $11.96 and expiry dates ranging from 2022 to 2028. Refer to Note 10 "Convertible Notes" for further details.

15. Equity Incentive Plan

2011 Equity Incentive Plan

The Company's 2011 Stock Plan was originally adopted by our Board of Directors on July 27, 2011 and our stockholders on October 11, 2011, and most recently amended by our Board on September 7, 2018 and our stockholders (as restated, the "Plan"). The Plan allows us to grant restricted stock units, restricted stock and stock options to employees and consultants of the Company and any of the Company's parent, subsidiaries or affiliates, and to the members of our Board of Directors. Options granted under the Plan may be either incentive stock options or nonqualified stock options. Incentive stock options, or ISOs, may be granted only to employees of the Company or any of the Company's parent or subsidiaries (including officers and directors who are also employees). Nonqualified stock options, or NSOs, may be granted to any person eligible for grants under our Plan.

Under the Plan, the Board of Directors determines the per share exercise price of each stock option, which for ISOs shall not be less than 100% of the fair market value of a share on the date of grant; provided that the exercise price of an ISO granted to a stockholder who at the time of grant owns stock representing more than 10% of the voting power of all classes of stock (a "10% stockholder") shall not be less than 110% of the fair market value of a share on the date of grant.

The Board of Directors determines the period over which options vest and become exercisable. Options granted to new employees generally vest over a 4-year period: 25% of the shares vest on the first anniversary from the vesting commencement date of the option and an additional 1/48th of the shares vest on each monthly anniversary thereafter, subject to the employee's continuous service through each vesting date. Options granted to continuing employees generally vest monthly over a 4-year period.

The Board of Directors also determines the term of options, provided the maximum term for ISOs granted to a 10% stockholder must be no longer than 5 years from date of grant and the maximum term for all other options must be no longer than 10 years from date of grant. If an option holder's service terminates, options generally terminate 3 months from the date of termination except under certain circumstances such as death or disability.

The following summary of stock option activity for the periods presented is as follows:

	Number of Shares Underlying Outstanding Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Life (in Years)	Aggregate Intrinsic Value
Balance as of December 2019	8,580,697	$ 4.06	8.38	$ 24,576
Options granted	2,119,428	5.52		
Options exercised	(889,321)	1.66		4,772
Options cancelled/forfeited	(2,016,491)	5.71		
Balance as of December 31 , 2020	7,794,313	4.30	8.00	34,869
Options granted	1,416,329	13.05		
Options exercised	(1,056,352)	3.19		
Options cancelled/forfeited	(1,181,914)	7.85		
Balance as of December 31, 2021	6,972,376	5.61	6.71	108,426
Exercisable as of December 31, 2021	4,738,526	$ 4.15	6.74	$ 80,608

As of December 31, 2021 and 2020, the Company had 24,283,359 and 21,781,589 shares authorized for issuance under the Plan. As of December 31, 2021 and 2020, the Company had 4,071,403 shares and 2,507,307 shares available for issuance under the Plan. Stock options granted during the twelve months ended December 31, 2021 and 2020 had a weighted average grant date fair value of $12.65 and $4.91 per share, respectively.

The intrinsic values of outstanding, vested and exercisable options were determined by multiplying the number of shares by the difference in exercise price of the options and the fair value of the common stock as of December 31, 2021 and 2020 of $21.16 and $8.77 per share, respectively. The intrinsic value of the options exercised represents the difference between the exercise price and the fair market value on the date of exercise.

The following summary of Restricted Stock Units (RSU) activity for the periods presented is as follows:

	Number of Shares	Weighted average grant date fair value
Balance as of December 31, 2019	618,115	$ 7.20
RSU granted	2,398,274	6.31
RSU vested and settled	(440,883)	7.67
RSU cancelled/forfeited	(276,089)	6.24
Balance as of December 31, 2020	2,299,417	6.52
RSU granted	1,678,982	14.86
RSU vested and settled	(819,295)	17.04
RSU cancelled/forfeited	(635,982)	7.97
Balance as of December 31, 2021	**2,523,122**	**$ 11.53**

The number of RSU vested and settled includes shares of common stock that the Company withheld on behalf of employees to satisfy the minimum statutory tax withholding requirements.

Stock Options Granted to Employees

The fair value of the employee stock options granted is estimated using the Black-Scholes option-pricing model. The following weighted-average assumptions were used during the years ended December 31, 2021, and 2020:

	2021	2020
Expected terms (in years)	4.24	5.68
Expected volatility	49%	43%
Risk-free interest rate	0.68%	0.60%
Expected dividend rate	0%	0%

Fair Value of Common Stock: As the Company's stock is traded on the public market, the fair value on the date of the grant is used.

Expected Term: The expected term for employees is based on the simplified method, as the Company's stock options have the following characteristics: (i) granted at-the-money; (ii) exercisability is conditional upon service through the vesting date; (iii) termination of service prior to vesting results in forfeiture; (iv) limited exercise period following termination of service; and (v) options are non-transferable and non-hedgeable, or "plain vanilla" options, and the Company has limited history of exercise data. The expected term for non-employees is based on the remaining contractual term.

Expected Volatility: As the Company has limited historical trading data regarding the volatility of its common stock, the expected volatility is based on volatility of a Company of similar entities and the Company's trading data since IPO. In evaluating similarity, the Company considered factors such as industry, stage of life cycle and size. The Company will continue to analyze the historical stock price volatility and expected term assumptions as more historical data for the Company's common stock becomes available.

Risk-Free Interest Rate: The risk-free interest rate is based on U.S. Treasury constant maturity rates with remaining terms similar to the expected term of the options.

Expected Dividend Rate: The Company has never paid any dividends and does not plan to pay dividends in the foreseeable future, and, therefore, an expected dividend rate of zero is used in the valuation model.

Forfeitures: The Company accounts for forfeitures as they occur.

Stock-Based Compensation

Stock-based compensation expense was allocated as follows during the years ended December 31, 2021 and 2020 (in thousands):

	2021	2020
Cost of revenue	$ 522	$ 371
Research and development	7,457	5,504
General and administrative	3,207	1,792
Sales and marketing	752	424
Total stock based compensation expense	**$11,938**	**$8,091**

As of December 31, 2021, there was total unrecognized compensation cost for outstanding stock options of $7.0 million to be recognized over a period of approximately 2.6 years. As of December 31, 2020, there was total unrecognized compensation cost for outstanding stock options of $10.2 million to be recognized over a period of approximately 2.3 years.

As of December 31, 2021, there was unrecognized compensation cost for outstanding restricted stock units of $26.6 million to be recognized over a period of approximately 3.2 years. As of December 31, 2020, there was unrecognized compensation cost for outstanding restricted stock units of $16.2 million to be recognized over a period of approximately 3.2 years.

There were no capitalized stock-based compensation costs or recognized stock-based compensation tax benefits during the years ended December 31, 2021 and 2020.

Equity Awards Issued in Connection with Business Combination

In connection with the Jiobit transaction in September 2021, the Company issued 91,217 shares of restricted common stock with an aggregate fair value of $1.9 million to be recognized as post combination stock-based compensation ratably with continuous employment of certain employees over a 3-year period.

As of December 31, 2021, there was $1.7 million of unrecognized compensation expense related to this restricted common stock which is expected to be recognized over the remaining weighted average life of 2.7 years.

Additionally, the Company granted 43,083 service-based stock options under the Plan to certain Jiobit employees with an aggregate fair value of $0.5 million which vests ratably over the requisite service period. As of December 31, 2021, there was $0.5 million of unrecognized compensation expense related to unvested assumed stock options, which is expected to be recognized over the remaining weighted average life of 2.0 years.

16. Income Taxes

The Company has incurred net operating losses only in the United States since its inception.

An income tax benefit of $0.1 million was recorded for the year ended December 31, 2021, and no provision or benefit for income taxes was recorded for the year ended December 31, 2020. In accordance with ASC 805, a change in the acquirer's valuation allowance that stems from a business combination should be recognized as an element of the acquirer's income tax expense or benefit in the period of the acquisition. Accordingly, for the year ended December 31, 2021, the Company recorded a $0.1 million partial release of its valuation allowance and a corresponding income tax benefit stemming from the Jiobit acquisition.

The reconciliation of our effective tax rate to the U.S. statutory federal income tax rate was as follows:

	Year Ended December 31,	
	2021	2020
	(%)	(%)
Statutory federal income tax rate	21	21
Research and development tax credits	2	4
Stock-based compensation	6	3
Fair value adjustment	(3)	—
Permanent differences	(1)	—
Change in valuation allowance	(25)	(28)
Effective tax rate	—	—

The significant components of net deferred income tax assets were as follows (in thousands):

	Year Ended December 31,	
	2021	2020
Deferred tax assets:		
Reserves and allowances	$ 314	$ 309
Lease liability	432	721
Depreciable assets	157	147
Net operating loss carryforward	36,826	25,589
Stock-based compensation	2,561	1,805
Credits carryforward	8,017	6,035
Total deferred tax assets	48,307	34,606
Deferred tax liabilities:		
Right-of-use asset	(378)	(620)
Acquired intangibles	(1,018)	—
Total deferred tax liabilities	(1,396)	(620)
Less: Valuation allowance and other reserves	(46,911)	(33,986)
Net deferred tax asset	**$ —**	**$ —**

The Company has provided a full valuation allowance on the net deferred tax assets. The valuation allowance increased by $12.9 million during 2021 and $6.5 million during 2020.

At December 31, 2021, the Company had approximately $158.2 million and $53.8 million of federal and state net operating loss carryforwards, respectively, available to offset future taxable income. Such carryforwards expire in varying amounts beginning in 2031. The federal net operating loss carryforwards of $97.0 million arising after December 31, 2017 do not expire.

The Company also had federal and state research and development credit carryforwards of $7.4 million and $6.0 million, respectively. The federal tax credits expire in varying amounts beginning in 2034. The state tax credits do not expire.

The Tax Reform Act of 1986 limits the use of net operating loss carryforwards in certain situations where changes occur in the stock ownership of a Company. The annual limitation may result in the expiration of net operating losses and credits before utilization. The Company performed a Section 382 analysis through December 31, 2021. We do not expect any previous ownership changes (as defined under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended) to result in a limitation that will materially reduce the total amount of net operating loss carryforwards and credits that can be utilized. Subsequent ownership changes may affect the limitation in future years.

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. In the normal course of business, the Company is subject to examination by taxing authorities throughout the nation. The Company is not currently under audit by the Internal Revenue Service or other similar state and local authorities. All tax years remain open to examination by major taxing jurisdictions to which the Company is subject.

As of December 31, 2021 and 2020, the Company had $4.6 million and $3.6 million, respectively of gross unrecognized tax benefits related to federal and state research credits. As of December 31, 2021 all unrecognized tax benefits, if recognized, will not affect the Company's effective tax rate. The Company does not anticipate any unrecognized tax benefits in the next 12 months that would result in a material change to our financial position.

The aggregate changes in the balance of gross unrecognized tax benefits were as follows (in thousands):

Balance as of December 31, 2019	$	2,456
Additions based on tax positions related to 2020		1,128
Balance as of December 31, 2020	$	3,584
Additions based on tax positions related to 2021		1,004
Balance as of December 31, 2021	**$**	**4,588**

17. Related-Party Transactions

The Company has entered into secondary financing transactions and other transactions with certain executive officers and Board members of the Company. A summary of the transactions is detailed below:

Notes Due From Affiliates (Contra Equity)

In February 2016, the Company issued an aggregate of $0.6 million in secured partial recourse promissory notes ("partially secured loan") to the Chief Executive Officer, Non-Executive Director (Previously President), Chief Operating Officer and an officer of the Company. In November 2017, the Company issued an additional $1.2 million in partially secured loan with three executive officers.

The Company accounted for the 2016 and 2017 partially secured loan as consideration received for the exercise of the related equity award, because even after the original options are exercised or the shares are purchased, an employee could decide not to repay the loan if the value of the shares declines below the outstanding loan amount and could instead choose to return the shares in satisfaction of the loan. The result would be similar to an

employee electing not to exercise an option whose exercise price exceeds the current share price. When shares are exchanged for a partially secured loan, the principal and interest are viewed as part of the exercise price of the "option" and no interest income is recognized. Additionally, compensation cost is recognized over any requisite service period, with an offsetting credit to additional paid-in capital. Periodic principal and interest payments, if any, are treated as deposit liabilities until the note is paid off, at which time, the note balance is settled and the deposit liability balance is transferred to additional paid-in capital. As of December 31, 2021 and 2020, the Company had deposit liability balances of $0.9 million, in connection with the 2016 and 2017 partially secured loan and other early exercises of equity awards. Principal amounts due under the 2016 and 2017 partially secured loan, or $0.9 million, are included in Notes Due From Affiliates as a reduction in stockholders' equity on the balance sheets.

Related Party Revenue

On July 11, 2017, the Company and ADT LLC ("ADT") which was a related party pursuant to ADT's ownership of shares of the Company's common stock, entered into the Master Services and Licensing Agreement under which ADT would receive a license to the Company's technology through an integrated mobile application offered by ADT to its end customers. Pursuant to the agreement, the Company and ADT would contribute their proprietary mobile application technology to develop ADT Anywhere Basic and ADT Anywhere Premium. The Company was entitled to receive fees based on the number of active users on each mobile application platform.

The following table represents revenue and accounts receivable received from ADT (in thousands):

	Revenue		Accounts Receivable	
	Year Ended December 31,		As of December 31,	
	2021	2020	2021	2020
ADT	$ —	$ 195	$ —	$ 1

Other Related Party Transactions

Non-executive director, James Synge, is a Principal and Partner of Carthona Capital. During the years ended December 31, 2021 and 2020 cash payments of $31,000 and $30,063, respectively were paid to Carthona Capital for the directors' fees for a non-executive director. During the year ended December 31, 2021, the Company entered into a consultancy agreement with Carthona Capital. Under this agreement, Carthona Capital agreed to provide consultancy services to the Company in relation to capital raising matters. For the year ended December 31, 2021, Carthona Capital has received consideration of $100,000.

During the year ended December 31, 2021, a cash payment of $61,343 was paid to Pathzero for carbon emissions reporting. Non-executive director, James Synge, is a Principal and Partner of Carthona Capital which is a venture fund that has invested in Pathzero.

Annika Hulls is the spouse of the CEO and Executive Director, Chris Hulls. During the year ended December 31, 2021, a cash payment of $20,150 was paid to Annika Hulls for services relating to a marketing campaign.

18. Defined Contribution Plan

The Company sponsors a defined contribution plan under Section 401(k) of the Internal Revenue Code covering substantially all employees over the age of 21 years. Contributions made by the Company are voluntary and are determined annually by the Board of Directors on an individual basis subject to the maximum allowable amount under federal tax regulations. The Company has made no contributions to the plan since its inception.

19. Net Loss Per Share Attributable to Common Shareholders

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders as of December 31, 2021 and 2020 (in thousands):

	As of	
	December 31, 2021	December 31, 2020
Net loss attributable to common shareholders	$ (33,557)	$ (16,334)
Weighted-average shares used in computing net loss per share attributable to common shareholders, basic and diluted	51,656	49,346
Net loss per share attributable to common shareholders, basic and diluted	**$ (0.65)**	**$ (0.33)**

The potential shares of common stock that were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented because including them would have been antidilutive as of December 31, 2021 and 2020 are as follows:

As of December 31,	2021	2020
Issuances under stock incentive plan	6,972,376	7,794,313
Issuances upon exercise of common stock warrants	272,001	140,576
Issuances upon vesting of restricted stock units	2,523,122	2,299,417
Issuances of convertible notes	686,926	—
Shares reserved for shares available to be granted but not granted yet	4,071,403	2,507,307
	14,525,828	**12,741,613**

20. Subsequent Events

The Company evaluated subsequent events through April 26, 2022.

Tile Acquisition

On January 5, 2022, the Company acquired all the ownership interests of Tile, Inc ("Tile") for a total consideration of up to $188.5 million. Tile is the provider of Bluetooth enabled devices that enable its customers to locate Tiled objects. The total consideration of up to $188.5 million is comprised of $158 million of cash, subject to customary adjustments, $15.5 million in shares of the Company's common stock, and contingent consideration of up to $15 million conditional on achieving certain financial hurdles. In addition, the Company has issued up to $35.0 million in retention equity awards for Tile employees.

Placer.ai Agreement

In January 2022, the Company executed a new partnership agreement with Placer.ai ("Placer"), a prominent provider of aggregated analytics for the retail ecosystem. As part of this partnership, Placer will provide valuable data processing and analytics services to Life360 and will have the right to commercialize aggregated data related to place visits during the term of the agreement. This partnership marked the beginning of Life360's exit

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from its legacy data sales model and transition to commercialize solely aggregated data, while still providing members the option to opt out of even aggregated data sales. In keeping with the Company's vision and consistent with that aggregated data sales model, the Company is exploring ways, in the future, to enable members to avail themselves of compelling offers and opportunities by enabling Company partners to use their data with members' explicit, affirmative opt-in consent. The Company has begun terminating existing relationship with certain legacy data sales partners. The Placer agreement includes a minimum revenue guarantee based on the size of the Life360's active user base for the duration of the three-year agreement.
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Jiobit Contingent Consideration

In April 2022, the Board approved an amendment to the 2021 contingent consideration of the Jiobit acquisition. The 2021 contingent consideration has been amended to 50% of the total potential amount (376,576 shares of Life360 Common Stock in total).

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Life360, Inc.

Unaudited Interim Condensed Consolidated Balance Sheets
(Dollars in U.S. $, in thousands, except share and per share data)

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	March 31, 2022 (unaudited)	December 31, 2021
Assets		
Current Assets:		
Cash and cash equivalents	$ 82,717	$ 230,990
Accounts receivable, net	22,443	11,772
Costs capitalized to obtain revenue contracts, net	1,529	1,319
Inventory	10,599	2,009
Prepaid expenses and other current assets	13,669	10,590
Total current assets	130,957	256,680
Restricted cash	15,499	355
Property and equipment, net	780	580
Costs capitalized to obtain revenue contracts, net of current portion	305	330
Prepaid expenses and other assets, noncurrent	9,477	3,691
Right of use asset	2,550	1,627
Intangible assets, net	58,608	7,986
Goodwill	133,148	31,127
Total Assets	$ 351,324	$ 302,376
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	$ 11,756	$ 3,248
Accrued expenses and other liabilities	28,615	10,547
Escrow liability	14,094	—
Contingent consideration	5,500	9,500
Convertible notes, current	3,793	4,222
Deferred revenue, current	26,819	13,929
Total current liabilities	90,577	41,446
Convertible notes, noncurrent	7,338	8,284
Derivative liability, noncurrent	483	1,396
Deferred revenue, noncurrent	4,293	—
Other noncurrent liabilities	1,405	1,205
Total Liabilities	$ 104,096	$ 52,331
Commitments and Contingencies (Note 11)		
Stockholders' Equity		
Common Stock, $0.001 par value; 100,000,000 shares authorized as of December 31, 2021 and March 31, 2022 (unaudited); 60,221,799 and 61,469,777 issued and outstanding as at December 31, 2021 and March 31, 2022, (unaudited), respectively	62	61
Additional paid-in capital	438,658	416,278
Notes due from affiliates	(956)	(951)
Accumulated deficit	(190,565)	(165,343)
Accumulated other comprehensive income	29	—
Total stockholders' equity	247,228	250,045
Total Liabilities and Stockholders' Equity	$ 351,324	$ 302,376

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See accompanying notes to the unaudited interim condensed consolidated financial statements

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Life360, Inc.

Unaudited Interim Condensed Consolidated Statements of Operations and Comprehensive Loss
(Dollars in U.S. $, in thousands, except share and per share data)

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	Three months ended	
	March 31, 2022	March 31, 2021
	(unaudited)	
Subscription revenue	$ 33,062	$ 17,132
Hardware revenue	9,647	—
Other revenue	8,261	5,860
Total revenue	50,970	22,992
Cost of subscription revenue	7,071	3,734
Cost of hardware revenue	7,806	—
Cost of other revenue	975	755
Total cost of revenue	15,852	4,489
Gross Profit	35,118	18,503
Operating expenses:		
Research and development	25,737	10,692
Sales and marketing	23,242	8,210
General and administrative	13,246	3,453
Total operating expenses	62,225	22,355
Loss from operations	(27,107)	(3,852)
Other (Income)/ Expense:		
Convertible notes fair value adjustment	(1,575)	—
Derivative liability fair value adjustment	(914)	—
Other (Income)/expense, net	546	—
Total Other (Income)/ Expense	(1,943)	—
Loss before Benefit from for income taxes	(25,164)	(3,852)
Benefit from income taxes	(58)	—
Net Loss	$ (25,222)	$ (3,852)
Net loss per share attributable to common shareholders, basic and diluted	$ (0.41)	$ (0.08)
Weighted-average shares used in computing net loss per share attributable to common shareholders, basic and diluted	61,192,576	50,119,443
Comprehensive loss		
Net loss	(25,222)	(3,852)
Change in foreign currency translation adjustment	29	—
Total comprehensive loss	$ (25,193)	$ (3,852)

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See accompanying notes to the unaudited interim condensed consolidated financial statements

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Life360, Inc.

Unaudited Interim Condensed Consolidated Statements of Stockholders' Equity
(Dollars in U.S. $, in thousands, except share and per share data)

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	Common Stock		Additional Paid-In Capital	Notes Due from Affiliates	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount					
Balance at December 31, 2020	50,035,408	$ 50	$ 196,852	$ (927)	$ (131,786)	$ —	$ 64,189
Exercise of stock options	126,497	—	498	—	—	—	498
Vesting of restricted stock units	109,482	—	—	—	—	—	—
Taxes paid related to net settlement of equity awards	—	—	(586)	—	—	—	(586)
Stock-based compensation expense	—	—	2,199	—	—	—	2,199
Interest accrued relating to notes due from affiliates	—	—	—	(9)	—	—	(9)
Net loss	—	—	—	—	(3,852)	—	(3,852)
Balance at March 31, 2021	50,271,387	$ 50	$ 198,963	$ (936)	$ (135,638)	$ —	$ 62,439
Balance at December 31, 2021	60,221,799	$ 61	$ 416,278	$ (951)	$ (165,343)	$ —	$ 250,045
Exercise of stock options	277,995	—	1,508	—	—	—	1,508
Exercise of warrants	66,892	—	—	—	—	—	—
Vesting of restricted stock units	124,059	—	—	—	—	—	—
Taxes paid related to net settlement of equity awards	—	—	(716)	—	—	—	(716)
Issuance of common stock in connection with an acquisition	779,032	1	15,408	—	—	—	15,409
Issuance of common stock	—	—	85	—	—	—	85
Stock-based compensation expense	—	—	6,095	—	—	—	6,095
Interest accrued relating to notes due from affiliates	—	—	—	(5)	—	—	(5)
Net loss	—	—	—	—	(25,222)	—	(25,222)
Change in foreign currency translation adjustment	—	—	—	—	—	29	29
Balance at March 31, 2022	61,469,777	$ 62	$ 438,658	$ (956)	$ (190,565)	$ 29	$ 247,228

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See accompanying notes to the unaudited interim condensed consolidated financial statements

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Life360, Inc.

Unaudited Interim Condensed Consolidated Statements of Cash Flows
(Dollars in U.S. $, in thousands)

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	Three months ended	
	March 31, 2022	March 31, 2021
	(unaudited)	
Cash Flows from Operating Activities:		
Net loss	$ (25,222)	$ (3,852)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,201	112
Stock-based compensation expense	6,095	2,199
Compensation expense in connection with revesting notes (Note 7)	120	—
Software development costs	159	—
Interest (income)/expense, net	98	(6)
Convertible notes fair value adjustment	(1,575)	—
Derivative liability fair value adjustment	(914)	—
Gain on revaluation of contingent consideration	(4,000)	—
Changes in operating assets and liabilities:		
Accounts receivable, net	17,155	(3,539)
Prepaid expenses and other current assets	1,711	2,934
Inventory	(1,067)	—
Costs capitalized to obtain contracts, net	(185)	416
Other noncurrent assets	(2,589)	(531)
Accounts payable	(14,689)	(638)
Accrued expenses	(1,673)	(173)
Deferred revenue	2,801	437
Noncurrent liabilities	(122)	(351)
Net cash used in operating activities	**(21,696)**	**(2,992)**
Cash Flows from Investing Activities:		
Cash paid for acquisition, net of cash acquired	(112,306)	—
Net cash used in investing activities	**(112,306)**	**—**
Cash Flows from Financing Activities:		
Proceeds from the exercise of options and grant of stock awards, net of repurchase	1,508	498
Taxes paid related to net settlement of equity awards	(716)	(586)
Issuance of common stock	85	—
Cash paid for deferred offering costs	(4)	—
Net cash provided by/(used in) financing activities	**873**	**(88)**
Net Decrease in Cash, Cash Equivalents, and Restricted Cash	(133,129)	(3,080)
Cash, Cash Equivalents and Restricted Cash at the Beginning of the Period	**231,345**	**56,611**
Cash, Cash Equivalents, and Restricted Cash at the End of the Period	**$ 98,216**	**$ 53,531**
Supplemental disclosure:		
Cash paid during the period for interest	$ (15)	$ —
Non-cash investing and financing activities:		
Fair value of stock issued in connection with an acquisition	$ 15,409	$ —
Fair value of warrants held in investment in affiliate	5,474	—
Deferred capitalized costs	700	—
Total non-cash investing and financing activities:	$ 21,583	$ —

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See accompanying notes to the unaudited interim condensed consolidated financial statements

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Life360, Inc.

Unaudited Interim Condensed Consolidated Statements of Cash Flows (Continued)
(Dollars in U.S. $, in thousands)

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The following table provides a table of cash, cash equivalents, and restricted cash reported within the balance sheets totaling the same such amounts shown above:
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	March 31, 2022	March 31, 2021
	(unaudited)	
Cash and cash equivalents	$ 82,717	$ 53,334
Restricted cash	15,499	197
Total cash, cash equivalents, and restricted cash	$ 98,216	$ 53,531

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See accompanying notes to the unaudited interim condensed consolidated financial statements
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Life360, Inc.

Notes to Unaudited Interim Condensed Consolidated Financial Statements

(Information as of March 31, 2022 and for the three months ended March 31, 2022 and 2021 is unaudited)

1. Nature of Business

Life360, Inc. (the "Company") is the leading technology platform, based on market share of the family safety and location sharing app market, to locate the people, pets and things that matter most to families. The Company was incorporated in the State of Delaware in April 2007. The Company's core offering, the Life360 mobile application, is now a market leading mobile application for families, with features that range from communications to driving safety and location sharing. The Company operates under a "freemium" model where its core offering is available to users at no charge, with three membership subscription options that are available but not required. The Company also generates revenue through data monetization arrangements with certain third parties ("Data Revenue Customers") through data acquisition and license agreements and anonymized insights into the data collected from the Company's user base in partnership with third parties. On September 1, 2021, the Company acquired all ownership interests of Jio, Inc ("Jiobit"). Jiobit is a provider of wearable location devices for young children, pets, and seniors. On January 5, 2022, the Company acquired all ownership interests of Tile, Inc. ("Tile"). Tile is a smart location company whose product is a Bluetooth enabled device that works in tandem with the Tile Application to enable its customers to locate Tiled objects.

2. Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The interim condensed consolidated financial statements and accompanying notes have been prepared in accordance with generally accepted accounting principles in the United States, or ("GAAP"), are presented in US dollars unless otherwise stated, and include the accounts of Life360, Inc. and subsidiaries, Jiobit, Inc., Tile, Inc., Tile Europe Ltd and Tile Network Canada ULC. All inter-company transactions and balances have been eliminated.

Unaudited Interim Condensed Consolidated Financial Information

The accompanying interim condensed consolidated balance sheets as of March 31, 2022, the interim condensed consolidated statements of operations and comprehensive loss, interim condensed consolidated statements of stockholders' equity, interim condensed consolidated statements of cash flows for the three months ended March 31, 2022 and 2021, and the related footnote disclosures are unaudited. These unaudited interim condensed consolidated financial statements have been prepared in accordance with GAAP. In management's opinion, the unaudited interim condensed consolidated financial statements include all adjustments necessary to fairly state the Company's financial position as of March 31, 2022 and its results of operations and cash flows for the three months ended March 31, 2022 and 2021. The financial data and the other information disclosed in the notes to these interim condensed consolidated financial statements related to the three-month periods are unaudited. The results of operations for the three months ended March 31, 2022 are not necessarily indicative of the results expected for the year ending December 31, 2022 or any other future period. The information contained within the unaudited interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's annual financial statements for the year ended December 31, 2021.

Use of Estimates

The preparation of interim condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and

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disclosure of contingent assets and liabilities at the date of the interim condensed consolidated financial statements and the reported amount of revenue and expenses during the reporting period. Significant estimates made by management include, but are not limited to, the determination of revenue recognition, including the determination of selling prices for distinct performance obligations sold in multiple-performance obligation arrangements, the period over which revenue is recognized for certain arrangements, and estimated delivery dates for orders with title transfer upon delivery, accounts receivable allowance, product returns, promotional and marketing allowances, inventory valuation, average useful customer life, stock-based compensation, legal contingencies, assessment of possible impairment of long-lived assets and goodwill, valuation of contingent consideration, convertible notes and embedded derivatives, useful lives of long lived assets and income taxes including valuation allowances on deferred tax assets. The Company bases its estimates and judgments on historical experience and on various assumptions that it believes are reasonable under the circumstances. Actual results could differ significantly from those estimates.

Recently adopted accounting pronouncements

In October 2021, the FASB issued ASU 2021-08, *Business Combinations* (Topic 805), Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which requires contract assets and contract liabilities (i.e., deferred revenue) acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with ASC 606, *Revenue from Contracts with Customers*. The guidance should be applied prospectively to acquisitions occurring on or after the effective date. The guidance is effective for the Company beginning January 1, 2024, and interim periods therein. Early adoption is permitted, including in interim periods, for any financial statements that have not yet been issued. The Company elected to early adopt ASU 2021-08 on September 1, 2021, and the Company has recorded the acquired deferred revenue based on historical carrying value rather than fair value in the interim condensed consolidated financial statements and related disclosures.

In December 2019, the FASB issued ASU No. 2019-12, *Simplifying the Accounting for Income Taxes* ("ASU 2019-12"), as part of its initiative to reduce complexity in accounting standards. ASU 2019-12 removes the following exceptions: exception to the incremental approach for intraperiod tax allocation; exception to accounting for basis differences when there are ownership changes in foreign investments; and exception to interim period tax accounting for year-to-date losses that exceed anticipated losses. ASU 2019-12 also improves financial reporting for franchise taxes that are partially based on income; transactions with a government that result in a step up in the tax basis of goodwill; separate financial statements of legal entities that are not subject to tax; and enacted changes in tax laws in interim periods. ASU 2019-12 is effective for public business entities in fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. For all other entities, the standard is effective in fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption of the standard is permitted, including adoption in interim or annual periods for which financial statements have not yet been issued. On January 1, 2021, the Company adopted ASU 2019-12 and the standard did not have a material impact on its interim condensed consolidated financial statements and related disclosures.

Accounting pronouncements not yet adopted

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments,* which changes the existing incurred loss impairment model for financial assets held at amortized cost. The new model uses a forward-looking expected loss method to calculate credit loss estimates. These changes will result in earlier recognition of credit losses. In March 2022, the FASB issued ASU 2022-02, *Financial Instruments – Credit Losses: Troubled Debt Restructurings and Vintage Disclosures,* which
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updates accounting guidance for troubled debt restructurings by creditors and enhances disclosure requirements for certain loan refinancing and restructurings by creditors when a borrower is experiencing financial difficulty. Additionally, the amendments require an entity to disclose gross write-offs by year of origination for financing receivables. The amendments included within ASU 2022-02 become effective after the adoption of ASU 2016-13, which becomes effective for the Company on January 1, 2023 with early adoption permitted. The Company is currently evaluating the impact of the adoption of ASU 2016-13 and ASU 2022-02 on its interim condensed consolidated financial statements and related disclosures and does not expect a material impact.

In August 2020, the FASB issued ASU No. 2020-06, *Debt- Debt with Conversion and Other Options* (Subtopic 470-20) which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. Among other changes, ASU 2020-06 removes from U.S. GAAP the liability and equity separation model for convertible instruments with a cash conversion feature, and as a result, after adoption, entities will no longer separately present in equity an embedded conversion feature for such debt. Similarly, the embedded conversion feature will no longer be amortized into income as interest expense over the life of the instrument. Instead, entities will account for a convertible debt instrument wholly as debt unless (1) a convertible instrument contains features that require bifurcation as a derivative under ASC Topic 815, *Derivatives and Hedging*, or (2) a convertible debt instrument was issued at a substantial premium. Additionally, ASU 2020-06 requires the application of the if-converted method to calculate the impact of convertible instruments on diluted earnings per share, which will result in increased dilutive securities as the assumption of cash settlement of the notes will not be available for the purpose of calculating earnings per share. The provisions of ASU 2020-06 are effective for reporting periods beginning after December 15, 2023, with early adoption permitted for reporting periods beginning after December 15, 2020 and can be adopted on either a fully retrospective or modified retrospective basis. The Company is currently evaluating the timing, method of adoption, and overall impact of this standard on its interim condensed consolidated financial statements.

Revenue Recognition

The Company recognizes revenue upon transfer of control of promised goods or services to customers at transaction price, an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Transaction price is calculated as selling price net of variable consideration which may include estimates for future returns and sales incentives related to current period revenue. The Company determines revenue recognition through the following steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the Company satisfies a performance obligation. The Company only applies the five-step model to contracts when it is probable that Company will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer.

Performance Obligations

Some of the Company's contracts with customers contain multiple performance obligations, primarily hardware and subscription services for the Tile and Jio hardware tracking devices. For these contracts, the Company accounts for individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative stand-alone selling price ("SSP") basis with the amounts
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allocated to ongoing services deferred and recognized over a period of time and amounts allocated to hardware tracking devices recognized at a point-in time with a portion of the consideration being allocated to application usage (maintenance) and support. The Company determines SSP based on observable, if available, prices for those related services when sold separately. When such observable prices are not available, the Company determines SSP based on overarching pricing objectives and strategies, taking into consideration market conditions and other factors, including customer size, volume purchased, market and industry conditions, product-specific factors, and historical sales of the deliverables.

For hardware products, the Company generally offers a limited warranty to end-users covering a period of twelve months for products and obligates the Company to repair or replace products for manufacturing defects or hardware component failures. The warranty is not sold separately and does not represent a separate performance obligation. Therefore, such warranties are accounted for under ASC 460, Guarantees, and the estimated costs of warranty claims are generally accrued as cost of revenue in the period the related revenue is recorded. See Note 11 – Commitments and Contingencies for further details.

Variable Consideration

The Company recognizes hardware revenue at the net sales price, which includes certain estimates for variable consideration with our customers. The Company's variable consideration is primarily in the form of promotional agreements and marketing development fund agreements in relation to the hardware tracking devices.

These agreements are designed to enhance the sale of the Company's products and consist of incentives to the Company's customers. The Company estimates variable considerations using the expected value method. All the forms of variable considerations are recorded as contra-revenue and a corresponding liability in its consolidated balance sheet. Certain agreements are estimates at period end due to the nature of the incentives or expected and yet-to-be announced incentive programs that apply to current period revenue transactions. These estimates are based on the Company's incentive program experience, historical and projected sales data and current contractual terms. The remaining portion of this liability is based on contractual amounts and does not require estimation.

Subscription Revenue

The Company's subscription revenue includes related support and is comprised of Life360 mobile application subscriptions as well as subscription service plans for the Tile and Jiobit hardware tracking devices. The Company's subscription contracts with customers are established at the point of mobile application download and purchase as indicated through acceptance of the Company's Standard Service Terms.

The cloud-based subscriptions are considered single combined performance obligations, consisting of multiple features that can be purchased separately, but which are bundled together and delivered to the customer as a combined output. The Company provides its customers with technical support along with unspecified updates and upgrades to the platform on an if and when available basis.

The subscription service plan for the Tile and Jiobit hardware tracking device is a distinct and separate performance obligation from the hardware. Subscription fees are fixed and recognized on a straight-line basis over the non-cancellable contractual term of the agreement, generally beginning on the date that the Company's service is made available to the customer.
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Subscription revenue was $33.1 million and $17.1 million for the three months ended March 31, 2022 and 2021, respectively.

Hardware Revenue

The Company derives hardware revenue from sale of the Tile and Jiobit hardware tracking devices and related accessories. For hardware and accessories, revenue is recognized at the time products are delivered. The Company offers limited rights of return and estimates reserves based on historical experience and records the reserves as a reduction of revenue and an accrued liability. Amounts billed to customers for shipping and handling are classified as revenue, and the Company's related shipping and handling costs incurred are classified as cost of revenue. The customers are billed upon shipment of the hardware tracking devices. Sales taxes collected from customers and remitted to respective governmental authorities are recorded as liabilities and are not included in revenue.

The Company's hardware and the embedded operating system / platform are one distinct performance obligation and separate from the subscription service plans for the Tile and Jiobit hardware tracking device. The Company's embedded operating system / platform is a component of the hardware that is integral to the functionality of the hardware and only together produce the essential functionality of the hardware. The Company offers extended warranties and hardware protection plans that are recognized over the contractual service period (typically 1 to 2 years). The customers are billed upon shipment of the hardware tracking devices. Hardware revenue was $9.6 million for the three months ended March 31, 2022. No hardware revenue was recorded for the three months ended March 31, 2021.

Other Revenue

Other revenue consists primarily of data revenue and partnership revenue. The majority of the Company's traditional data partner contracts have been terminated and as discussed herein, the Company is in the process of winding down the traditional data brokerage business and moving toward an aggregated data sales model. In the meantime, the Company's data revenue is comprised of Life360 data monetization arrangements with certain third parties established through Data Master Service Agreements (collectively, "Data MSAs"), which outline specific terms governing the access and use of data and related fees. The Company determines a contract to exist upon the mutual execution of a Data MSA. Customers have the ability to access the Company's data over the contract term, in which certain customers pay a flat fee.

The transaction price is determined based on the consideration to which the Company expects to be entitled in exchange for transferring data to the customer. The Company estimates and includes variable consideration in the transaction price at contract inception to the extent it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. In estimating variable consideration in data arrangements, the Company considers historical experience and other external factors that may impact the expectation of future data usage. At each reporting period, the Company assesses actual and expected data usage that will be earned for the duration of the contract term. The payment terms for Data MSAs are monthly.

Access to the Company's data represents a series of distinct services as the Company continually provides access to the data, fulfills its obligation to the customer over the contractual term, and the customer receives and consumes the benefit of the data throughout the contract period. The series of distinct services represents a single performance obligation that is satisfied over time. For most customers, the Company recognizes fees for data arrangements over the term of the agreement as the data is provided to the customer.
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In January 2022, Life360 announced a new partnership agreement with Placer.ai ("Placer"), a prominent provider of aggregated analytics for the retail ecosystem, in which executives of the Company have an immaterial ownership interest through a passive investment vehicle. As part of this partnership, Placer will provide valuable data processing and analytics services to Life360 and will have the right to commercialize aggregated data related to place visits during the term of the agreement. This partnership marked the beginning of Life360's exit from its legacy data sales model and transition to commercialize solely aggregated data, while still providing members the option to opt out of even aggregated data sales. In keeping with the Company's vision and consistent with that aggregated data sales model, the Company is exploring ways, in the future, to enable members to avail themselves of compelling offers and opportunities by enabling Company partners to use their data with members' explicit, affirmative opt-in consent. The Company has begun terminating existing relationships with certain legacy data sales partners. The Placer agreement includes a minimum revenue guarantee based on the size of the Life360's active user base for the duration of the three-year agreement. In connection with the agreement, Placer issued the Company a warrant to purchase up to 5,100,167 shares of Series C Preferred Stock at an exercise price of $4.90 per share. The grant of the warrant is considered noncash consideration, which the Company measured at fair value on the date of issuance. The warrant was valued using an option pricing model, and the fair value of approximately $5.4 million, has been included as part of the transaction price of the Placer data partnership agreement, and will be included in other noncurrent assets on the Company's consolidated balance sheets. Data revenue was $7.1 million and $4.4 million for the three months ended March 31, 2022 and 2021, respectively.

Partnership revenue includes agreements with third parties to provide access to advertising on the Company's mobile platform. The Company receives a percentage of the advertising spend as a fee, which is recognized as revenue on a net basis. The variable amounts earned under partnership revenue arrangements are allocable to the month in which the advertising is placed, which is reset on a monthly basis. As such, the Company will recognize revenue monthly based on the advertising placed. Partnership revenue was $1.1 million, and $1.5 million for the three months ended March 31, 2022 and 2021, respectively.

Remaining Performance Obligations

Remaining performance obligations represent the amount of contracted future revenue not yet recognized as the amounts relate to undelivered performance obligations, including both deferred revenue and non-cancelable contracted amounts that will be invoiced and recognized as revenue in future periods. Revenue allocated to remaining performance obligations was $31.1 million for the three months ended March 31, 2022, of which the Company expects to be recognized over the next twelve months.

Cost of Revenue

Cost of subscription revenue includes all direct costs to deliver the Company's subscription services. These costs include employee-related costs associated with our cloud-based infrastructure and our customer support organization, third-party hosting fees, software, and maintenance costs, outside services associated with the delivery of our subscription services, personnel-related expenses, travel-related costs, amortization of acquired intangibles and allocated overhead, such as facilities, including rent, utilities, depreciation on equipment shared by all departments, credit card and transaction processing fees, and shared information technology costs. Personnel-related expenses include salaries, bonuses, benefits, and stock-based compensation for operations personnel.
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Cost of hardware revenue consists of product costs, including hardware production, contract manufacturers for production, shipping and handling, packaging, fulfillment, personnel-related expenses, manufacturing and equipment depreciation, warehousing, tariff costs, hosting, app fees, customer support costs, warranty replacement, and write-downs of excess and obsolete inventory. Personnel-related expenses include salaries, bonuses, benefits, and stock-based compensation for operations personnel.

Cost of other revenue consists of cloud-based hosting costs, as well as costs of product operations function and employee-related costs associated with our data platform.

Costs Capitalized to Obtain Contracts

Costs capitalized to obtain contracts comprise of revenue-share payments to the Company's Channel Partners in connection with annual subscription sales of the Company's mobile application on each respective mobile application store platform as well as sales commissions paid to employees on hardware sales. Costs that are incremental and directly related to new customer sales contracts are accrued and capitalized upon execution of a non-cancelable customer contract, and subsequently expensed over the average life of the customer relationship, which is currently estimated to be two to three years depending on the subscription type. The Company has elected the practical expedient under ASC 340-4 to expense incremental costs of obtaining a contract if the amortization periods is one year or less.

Allowance for Doubtful Accounts

The Company makes judgments as to its ability to collect outstanding accounts receivable and provide allowances for accounts receivable when and if collection becomes doubtful. The Company evaluates the collectability of its accounts receivable based on review of its past-due balances, known collection risks and historical experience. In circumstances where the Company is aware of a specific customer's potential inability to meet its financial obligations to the Company (e.g., bankruptcy filings or substantial downgrading of credit ratings), the Company records a specific reserve for bad debt against amounts due to reduce the net recognized receivable to the amount it reasonably believes will be collected. The allowance for doubtful accounts as of March 31, 2022 and December 31, 2021 and bad debt expense for the three months ended March 31, 2022 and the three months ended March 31, 2021 was immaterial.

Inventory and Contract Manufacturing

Inventory is comprised of raw materials and finished goods related to the Tile and Jiobit hardware tracking devices and accessories. Inventory is stated at the lower of cost or net realizable value on a weighted average basis. The Company assesses the valuation of inventory and periodically writes down the value for estimated excess and obsolete inventory based upon estimates of future demand and market conditions. The Company's inventory is held at third party warehouses and contract manufacturer premises.

The Company outsources a significant portion of its manufacturing to independent contract manufacturers in Asia. A significant portion of its Cost of revenue consists of inventory purchased from these manufacturers. The Company's manufacturers procure components and manufacture the Company's products based on the demand forecasts provided. These forecasts are based on estimates of future demand for the Company's products, which are in turn based on historical trends and an analysis from the Company's sales and marketing organizations, adjusted for overall market conditions. Shipments of inventory from the contract manufacturer are recorded as finished goods inventory upon shipment when title and the significant risks and reward of ownership have passed to the Company.
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Significant Risks and Uncertainties

The Company's business, operations, and financial results are subject to various risks and uncertainties including adverse global economic conditions, including the novel coronavirus (COVID-19), and competition in our industry that could adversely affect our business, financial conditions, results of operations and cash flows. These important factors, among others, could cause our actual results to differ materially from any future results.

The ongoing and full extent of the impact of the COVID-19 pandemic on the Company's business, operational and financial performance is uncertain and will depend on many factors outside the Company's control. Should the COVID-19 pandemic or global economic slowdown not improve or worsen, or if the Company's attempt to mitigate its impact on its operations and costs is not successful, the Company's business, results of operations, financial condition and prospects may be adversely affected.

The Company's customers primarily consist of individual consumers, who subscribe to the Company's product offerings through market exchanges operated by channel partners, data revenue customers and retail partners, who purchase hardware tracking devices from the Company and resell them directly to individual consumers. Any changes in customer preferences and trends or changes in terms of use of channel partners' platforms could have an adverse impact on its results of operations and financial condition.

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash, cash equivalents and accounts receivable. The Company limits its exposure to credit loss by placing cash and cash equivalents with a financial institution of high credit standing. Deposits of cash and cash equivalents may exceed the amount of insurance provided by the Federal Deposit Insurance Corporation ("FDIC") on these deposits.

The Company depends on the constant real-time performance, reliability and availability of our technology system and access to our partner's networks. The Company primarily relies on a single technology partner for its cloud platform and a limited number of contract manufacturers to assemble components of the Jiobit and Tile hardware tracking devices. Any adverse impacts to the platform and the contract manufacturers could negatively impact our relationships with our partners or Users and may adversely impact our business, financial performance, and reputation.

The Company has experienced negative cash flows since inception and has an accumulated deficit of $190.6 million and $165.3 million as of March 31, 2022 and December 31, 2021, respectively. Historically, the Company has primarily financed its operations and acquisitions through equity financings and the issuance of convertible debt. The Company intends to finance its future operations through existing cash, increases in revenues, and cost savings related to product integration offerings. The Company believes the sources of liquidity will be sufficient to meet its operating needs for at least the next 12 months.

The Company derives its accounts receivable from revenue earned from customers located in the United States and internationally. The Company does not perform ongoing credit evaluations of its customers' financial condition and does not require collateral from its customers. Historically, credit losses have been insignificant. Channel and retail partners account for the majority of the Company's revenue and accounts receivable for all periods presented.
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The following tables set forth the information about our channel and retail partners who represented greater than 10% of our revenue or accounts receivable, respectively:

	Percentage of Revenue Three Months Ended March 31,	
	2022	2021
Channel Partner A	46%	56%
Channel Partner B	15%	18%
Retail Partner A	12%	*

* *Represents less than 10%*

	Percentage of Gross Accounts Receivable	
	As of March 31, 2022	As of December 31, 2021
Channel Partner A	24%	48%
Channel Partner B	*	14%

* *Represents less than 10%*

Research and Development Costs

The Company charges costs related to research, design, and development of products to research and development expense as incurred. These costs consist of payroll related expenses, contractor fees, outside third-party vendors, and allocated facilities costs.

Advertising Expense

Advertising expense was $3.2 million and $1.1 million for the three months ended March 31, 2022 and 2021, respectively. Advertising expenses are recorded in the period in which cost is incurred and are presented within Sales and marketing expense on the consolidated statements of operations.

Cash and Cash Equivalents

The Company considers all highly liquid investment securities with remaining maturities at the date of purchase of three months or less to be cash equivalents. Cash and cash equivalents include deposit and money market funds.

Restricted Cash

Deposits of $16.0 million were restricted from withdrawal as of March 31, 2022. The restriction primarily relates to $14.1 million which was placed in an indemnity escrow fund to be held for fifteen months after the acquisition date of Tile, Inc. for general representations and warranties. $1.1 million of the restricted cash relates to cash deposits restricted under letters of credit issued on behalf of the Company in support of indebtedness to trade creditors incurred in the ordinary course of business. The remaining restricted balance of $0.9 million as of March 31, 2022 is related to securing the Company's facility leases which will expire in 2022 and 2024 in

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accordance with the operating lease agreements, as amended. Deposits of $0.4 million were restricted from withdrawal as of December 31, 2021 and relate to the facility lease agreements. These balances are included in Restricted Cash on the accompanying condensed consolidated balance sheets.

Fair Value of Financial Instruments

The Company uses fair value measurements to record fair value adjustments to certain financial and non-financial assets and liabilities to determine fair value disclosures. The accounting standards define fair value, establish a framework for measuring fair value, and require disclosures about fair value measurements. Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the principal or most advantageous market in which the Company would transact are considered along with assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance. The accounting standard for fair value establishes a fair value hierarchy based on three levels of inputs, the first two of which are considered observable and the last unobservable, that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The three levels of Inputs that may be used to measure fair value are as follows:

Level 1 – Observable inputs, such as 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, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Valuations based on unobservable inputs to the valuation methodology and including data about assumptions market participants would use in pricing the asset or liability based on the best information available under the circumstances.

The recorded carrying amounts of cash and cash equivalents, prepaid expenses, accounts payable, and accounts receivable as of March 31, 2022 and December 31, 2021 approximate fair value due to their short-term nature. Refer to Note 6 "Fair Value Measurements" for further details.

Property and Equipment, net

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Equipment, computer software, furniture, and product manufacturing equipment have estimated useful lives ranging from three to ten years. Leasehold improvements are amortized on a straight-line basis over the lesser of the estimated useful life or the term of the lease with expected renewals.

Costs of maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the balance sheet and the resulting gain or loss is reported in cost and expenses, net in the period realized.
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Software Development Costs

For development costs related to internal use software projects, the Company capitalizes costs incurred during the application development stage. Costs related to preliminary project activities and post implementation activities are expensed as incurred. Internal-use software is amortized on a straight-line basis over its estimated useful life. The Company capitalized $0.2 million as of the three months ended March 31, 2022. Capitalized costs are included within prepaid expenses and other assets, noncurrent on the consolidated balance sheet. The Company did not capitalize internal use software costs during the three months ended March 31, 2021 as the capitalizable costs were not material.

Lease Obligations

Operating lease right-of-use assets and lease liabilities are recognized at the present value of the future lease payments at commencement date. The interest rate implicit in the Company's operating leases is not readily determinable, and therefore an incremental borrowing rate is estimated to determine the present value of future payments. The estimated incremental borrowing rate factors in a hypothetical interest rate on a collateralized basis with similar terms, payments, and economic environments. Operating lease right-of-use assets also include any prepaid lease payments and lease incentives.

Certain of the operating lease agreements contain rent concession, rent escalation, and option to renew provisions. Rent concession and rent escalation provisions are considered in determining the straight-line single lease cost to be recorded over the lease term. Single lease cost is recognized on a straight-line basis over the lease term commencing on the date the Company has the right to use the leased property. The lease terms may include options to extend or terminate the lease. The Company generally uses the base, non-cancellable, lease term when recognizing the lease assets and liabilities, unless it is reasonably certain that the renewal option will be exercised.

In addition, certain of the Company's operating lease agreements contain tenant improvement allowances from its landlords. These allowances are accounted for as lease incentives and decrease the Company's right-of-use asset and reduce single lease cost over the lease term. Refer to Note 8 "Balance Sheet Components" for additional lease disclosures.

Business Combinations

The Company uses best estimates and assumptions to assign a fair value to the tangible and intangible assets acquired and liabilities assumed in business combinations as of the acquisition date. These estimates are inherently uncertain and subject to refinement. During the measurement period, which may be up to one year from the acquisition date, adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed may be recorded, with the corresponding offset to goodwill. 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 statements of operations.

Goodwill

Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible and intangible assets acquired. Goodwill amounts are not amortized but tested for impairment on an annual basis during the fourth quarter. There was no impairment of goodwill during the three months ended March 31, 2022 or the three months ended March 31, 2021.
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Intangible Assets, net

Intangible assets, including acquired patents, trademarks, customer relationships, and acquired developed technology, and are carried at cost and amortized on a straight-line basis over their estimated useful lives. The Company determines the appropriate useful life of the Company's intangible assets by measuring the expected cash flows of acquired assets. There was no impairment of intangible assets recorded during the three months ended March 31, 2022 or the three months ended March 31, 2021.

Impairment of Long-Lived Assets

The Company assesses the impairment of long-lived assets, such as property and equipment subject to depreciation and acquired intangibles subject to amortization, when events or changes in circumstances indicate that their carrying amount may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset.

The Company reviews long-lived assets for impairment at least annually, or more frequently if events or changes in circumstances would more likely than not reduce the fair value of its single reporting unit below its carrying value. There was no impairment of long-lived assets recognized during the three months ended March 31, 2022 or the three months ended March 31, 2021.

Deferred Revenue

Deferred revenue consists primarily of payments received and accounts receivable recorded in advance of revenue recognition under the Company's subscription arrangements. The Company primarily invoices its customers for its subscription services arrangements in advance. Amounts anticipated to be recognized within one year of the balance sheet date are recorded as deferred revenue, current; the remaining portion is recorded as deferred revenue, noncurrent in the consolidated balance sheets.

Investment in Affiliate

Investment in affiliate relates to non-marketable equity securities held in a privately held company without a readily determinable market value. Non-marketable equity securities consist of warrants held to purchase shares of preferred stock of a Data Revenue Partner, refer to Note 2 "Summary of Significant Accounting Policies" for additional information regarding the Company's Data Revenue Partner. Investments in non-public businesses that do not have readily determinable pricing, and for which the Company does not have control or does not exert significant influence, are carried at cost less impairments, if any, plus or minus changes in observable prices for those investments. Gains or losses resulting from changes in the carrying value of these investments are included as a non-operating expense to the Company's consolidated statements of operations and comprehensive loss. There have been no adjustments to the basis of the Company's investment in affiliate to date. The carrying value of the Company's investment in affiliate is included in Prepaid expenses and other assets, noncurrent in the consolidated balance sheets.
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Common Stock Warrants

The Company has issued freestanding warrants to purchase shares of common stock in connection with certain debt financing transactions. The warrants are recorded as equity instruments at the grant date fair value using the Black-Scholes option pricing model and are not subject to revaluation at each balance sheet date.

In addition, the Company has issued warrants in connection with the convertible note agreements. The warrants are recorded as equity instruments at the grant date fair value using the Black-Scholes option pricing model. The fair value has been recorded as a debt discount that is being amortized to interest expense under the straight-line method over the term of respective convertible notes.

Stock-Based Compensation

The Company has an equity incentive plan under which various types of equity-based awards including, but not limited to, incentive stock options, non-qualified stock options, restricted stock units, and restricted stock awards, may be granted to employees, nonemployee directors, and nonemployee consultants.

For all equity awards granted to employees, nonemployees and directors, the Company recognizes compensation expense based on the grant-date estimated fair values. The fair value of stock options is determined using the Black-Scholes option pricing model. For restricted stock units and restricted stock awards, the fair value is based on the grant date fair value of the award. The Company recognizes compensation expense for stock option awards, restricted stock units, and restricted stock awards on a straight-line basis over the requisite service period of the award, generally three to four years. Forfeitures are recorded as they occur.

In 2020, the Company granted a market performance award to an executive that is subject to time-based vesting requirements in which vesting is contingent upon the Company's achievement of certain market performance goals. The fair value of such performance awards was determined using a Monte Carlo simulation and is recognized under the accelerated attribution method over a four-year period.

In 2021 and the first quarter of 2022, the Company issued stock options and restricted stock that have performance-based vesting conditions. For awards that include a performance condition, if the performance condition is determined to be probable of being satisfied, the Company recognizes compensation expense related to such awards using the accelerated attribution method over the required performance period. If a performance condition is not probable of being met, no compensation cost is recognized. Refer to Note 14 "Equity Incentive Plan" for further details.

Income Taxes

The Company accounts for income taxes under the asset and liability method. The Company estimates actual current tax exposure together with assessing temporary differences resulting from differences in accounting for reporting purposes and tax purposes for certain items, such as accruals and allowances not currently deductible for tax purposes. These temporary differences result in deferred tax assets and liabilities, which are included in the Company's balance sheets. In general, deferred tax assets represent future tax benefits to be received when certain expenses previously recognized in the Company's statements of operations and comprehensive loss become deductible expenses under applicable income tax laws or when net operating loss or credit carryforwards are utilized. Accordingly, realization of the Company's deferred tax assets is dependent on future taxable income against which these deductions, losses and credits can be utilized.

The Company must assess the likelihood that the Company's deferred tax assets will be recovered from future taxable income, and to the extent the Company believes that recovery is not likely, the Company establishes a
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valuation allowance. The assessment of whether a valuation allowance is required often requires significant judgment including current and historical operating results, the forecast of future taxable income and on-going prudent and feasible tax planning initiatives.

The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. The Company did not accrue any interest or penalties related to income tax positions during the three months ended March 31, 2022 or the three months ended March 31, 2021.

Contingencies

From time to time, the Company may have certain contingent liabilities that arise in the ordinary course of business. The Company evaluates the likelihood of an unfavorable outcome in legal or regulatory proceedings to which it is a party and records a loss contingency on an undiscounted basis when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These judgments are subjective and based on the status of such legal proceedings, the merits of the Company's defenses, and consultation with legal counsel. Actual outcomes of these legal proceedings may differ materially from the Company's estimates. The Company estimates accruals for legal expenses when incurred as of each balance sheet date based on the facts and circumstances known to the Company at that time.

Segment Information

The Company operates in a single operating segment. The Company's chief operating decision maker is its chief executive officer, who reviews financial information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance, and allocating resources. All material long-lived assets are based in the United States.

Net Loss per Share

The Company computes basic and diluted net loss per share attributable to common stockholders in conformity with ASC 260, "Earnings per Share." Basic net loss per share attributable to common stockholders is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period without consideration for potentially dilutive securities as they do not share in losses. The diluted net loss per share attributable to common stockholders is computed giving effect to all potential dilutive common stock equivalents outstanding for the period. For purposes of this calculation, options to purchase common stock, common stock warrants, common stock convertible notes, and unvested restricted stock units are considered common stock equivalents but have been excluded from the calculation of diluted net loss per share attributable to common stockholders as the effect is antidilutive.
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Life360, Inc.

Notes to Unaudited Interim Condensed Consolidated Financial Statements

(Information as of March 31, 2022 and for the three months ended March 31, 2022 and 2021 is unaudited)

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3. Revenue

Revenue by geography is generally based on the address of the customer as defined in the Company's agreement. The following table sets forth revenue by geographic area (in thousands):

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	Three Months Ended March 31,	
	2022	2021
	(unaudited)	
North America including the United States	$ 46,052	$ 20,786
Europe, Middle East and Africa	3,200	1,237
Other international regions	1,718	969
Total Revenue	$ 50,970	$ 22,992

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4. Deferred Revenue

Deferred revenue, which is a contract liability, consists primarily of payments received and accounts receivable recorded in advance of revenue recognition under the Company's contracts with customers and is recognized as the revenue recognition criteria are met.

Deferred revenue consists of the following (in thousands):

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	Subscription revenue	Hardware revenue	Other revenue	Total
Beginning balance as of December 31, 2020	$ 11,686	$ —	$ 169	$ 11,855
Acquired deferred revenue	231	204	—	435
Additions to deferred revenue	88,498	590	2,021	91,109
Recognized revenue in the period	(86,551)	(729)	(2,190)	(89,470)
Ending balance as of December 31, 2021	$ 13,864	$ 65	$ —	$ 13,929
Acquired deferred revenue (unaudited)	3,714	5,194	—	8,908
Additions to deferred revenue (unaudited)	34,291	15,621	7,645	57,557
Recognized revenue in the period (unaudited)	(32,913)	(15,913)	(456)	(49,282)
Ending balance as of March 31, 2022 (unaudited)	$ 18,956	$ 4,967	$ 7,189	$ 31,112

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5. Costs Capitalized to Obtain Contracts

The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs. The Company determined that its costs to obtain contracts were both direct and incremental. These costs are attributable to the Company's largest channel partners.

Renewal contracts are considered non-commensurate with new contracts as the Company pays a different commission rate for renewals. Accordingly, the guidance requires that specifically anticipated renewal periods should be taken into consideration in determining the required amortization period. Specifically, under the guidance of ASC 340-40, the Company is required to estimate the specifically anticipated renewals after the initial contract to which the initial commission asset relates. The total amortization period is then equal to the

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initial contractual term plus all specifically anticipated renewals that relate to the initial commission asset. Based upon its assessment of historical data and other factors, the Company concluded that its average customer life was approximately two years to three years, depending on the subscription type, which is used as the amortization period for all capitalized contract acquisition costs for that subscription type.

The following table represents a roll forward of the Company's Costs Capitalized to Obtain Contracts, net (in thousands)
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Beginning balance as of December 31, 2020	$ 3,950
Acquired costs capitalized to obtain contracts	0
Additions to costs capitalized to obtain contracts	1,713
Amortization of deferred commissions	(4,014)
Ending balance as of December 31, 2021	$ 1,649
Acquired costs capitalized to obtain contracts (unaudited)	849
Additions to costs capitalized to obtain contracts (unaudited)	272
Amortization of deferred commissions (unaudited)	(936)
Ending balance as of March 31, 2022 (unaudited)	$ 1,834
Costs capitalized to obtain contracts, current	1,529
Costs capitalized to obtain contracts, net of current	305
Total costs capitalized to obtain contracts	$ 1,834

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6. Fair Value Measurements

The Company measures and reports certain financial instruments as assets and liabilities at fair value on a recurring basis. These liabilities, consisting of convertible notes to purchase shares of the Company's common stock and contingent consideration, are considered Level 3 instruments.

The fair value of these instruments as of March 31, 2022 and December 31, 2021 are classified as follows (in thousands):
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	As of March 31, 2022			
	Level 1	Level 2	Level 3	Total
	(unaudited)			
Liabilities:				
Derivative liability	$ —	$ —	$ 483	$ 483
Convertible notes (Note 9)	—	—	10,813	10,813
Contingent consideration	—	—	5,500	5,500
Total	$ —	$ —	$16,796	$16,796

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	As of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Derivative liability	$ —	$ —	$ 1,396	$ 1,396
Convertible notes (Note 9)	—	—	12,293	12,293
Contingent consideration	—	—	9,500	9,500
Total	$ —	$ —	$23,189	$23,189

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The change in fair value of the convertible notes and contingent liability were as follows (in thousands):
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	As of March 31, 2022		
	Derivative liability	Convertible notes (Note 9)	Contingent consideration
		(unaudited)	
Fair value, beginning of the year	$ 1,396	$ 12,293	$ 9,500
Issuance of revesting notes	—	95	
Changes in fair value	(913)	(1,575)	(4,000)
Fair value, end of quarter	$ 483	$ 10,813	$ 5,500

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	As of December 31, 2021		
	Derivative liability	Convertible notes (Note 9)	Contingent consideration
Fair value, beginning of the year	$ —	$ —	$ —
Issuance of derivative liability	663	—	—
Issuances of convertible notes	—	11,597	—
Issuance of revesting notes	—	186	—
Issuance of contingent consideration	—	—	5,900
Changes in fair value	733	510	3,600
Fair value, end of year	$ 1,396	$ 12,293	$ 9,500

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For the three months ended March 31, 2022, the Company recorded a loss associated with the change in fair value of the derivative liability and convertible notes of $0.9 million and $1.6 million, respectively. For the year ended December 31, 2021, the Company had recorded a loss associated with the change in fair value of the derivative liability and convertible notes of $0.7 million and $0.5 million, respectively. The amounts have been recorded in other (income)/expense in the consolidated statement of operations and comprehensive loss.

The Company has recorded a gain associated with the change in fair value of the contingent consideration of $4.0 million and $0 million for the three months ended March 31, 2022 and March 31, 2021, respectively, in general and administrative expense in the consolidated statement of operations and comprehensive loss.
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7. Business Combinations

Jiobit, Inc.

On September 1, 2021, the Company completed the acquisition of Jiobit, a privately held consumer electronics company that specializes in the production of low powered sensors and wearables. The company is based in Chicago, Illinois with an additional development center in Silicon Valley, California and was founded in 2015. Jiobit has developed a small and long-lasting tracking solution. The mobile app, which is run through a wireless subscription service, offers a comprehensive set of monitoring and notification features. The addition of Jiobit is expected to strengthen and extend the Company's market leadership position by leveraging Jiobit's developed technology and customer relationships to accelerate the Company's own product development and augment the Company with a critical mass of talent with strong tracking/wearables experience. The aggregate purchase consideration was $43.2 million, of which $7.3 million was paid in cash, $5.9 million of contingent consideration was payable upon reaching certain operational goals for 2021 and 2022, $11.6 million representing the fair value of convertible notes (the "September 2021 Convertible Notes"), $4.0 million representing forgiveness of Jiobit's convertible debt held by the Company, $0.6 million comprised of 25,245 vested common stock options issued to Jiobit employees ("replacement awards"), and $13.8 million comprised of 674,516 shares of the Company's common stock. Of the consideration transferred, $0.2 million in cash was placed in an indemnity escrow fund to be held for fifteen months after the acquisition date for general representations and warranties.

The September 2021 Convertible Notes issued as part of the purchase consideration can be converted to common stock at any time subsequent to the acquisition at a fixed conversion price of $22.50 per share. On each of the first three annual anniversaries of the issuance date of the September 2021 Convertible Notes, the Company will repay 1/3rd of the unconverted principal plus accrued interest to the holders of such notes. Upon a change of control, the holder may elect to either convert at the fixed conversion price of $22.50 per share or be repaid in full. The Company has elected the fair value option and will remeasure the September 2021 Convertible Notes at their fair value on each reporting date and reflect the changes in fair value in earnings. The estimated fair value of the September 2021 Convertible Notes is determined using a combination of the present value of the cash flows and the Black-Scholes option pricing model using assumptions as follows:

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	As of December 31, 2021
Principal	$ 11,206
Interest rate	4.5%
Common stock fair value per share	21.16
Conversion price per share	22.50
Risk-free interest rate	0.88%
Time to exercise (in years)	2.7
Volatility	43%
Annual dividend yield	0%

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A total of $6.2 million was excluded from purchase consideration which consists of $1.9 million comprised of 91,217 shares of the Company's common stock ("Revesting Stock" – Note 14) and $1.6 million comprised of convertible notes ("Revesting Notes") issued to key employees, retention bonuses of $1.0 million, and $0.5 million comprised of 43,083 unvested common stock options issued to Jiobit employees ("Unvested Replacement Awards – Note 14). The Company incurred transaction related expenses of $1.0 million, which

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were expensed as incurred and recorded under general and administrative expenses in the consolidated statements of operations and comprehensive loss.

The Revesting Stock and Revesting Notes are restricted and vest with continuous employment of certain key employees over a 3-year period subsequent to the acquisition. The Revesting Stock is recognized in general and administrative as the Revesting Stock vests. The Company recorded $0.2 million and $0 million as stock-based compensation included in general and administrative expense related to the vesting of the Revesting Stock for the three months ended March 31, 2022 and March 31, 2021, respectively.

The Company records the Revesting Notes at fair value and will remeasure the Revesting Notes at fair value on each reporting date. The Revesting Notes are recognized in general and administrative expense. As the Revesting Notes vest, the changes in fair value are recorded as general and administrative expense with a corresponding entry to convertibles notes. The estimated fair value of the Revesting Notes is determined using a combination of the present value of the Revesting Notes cash flows and the Black-Scholes option pricing model. The terms of the Revesting Notes are consistent with the terms of the September 2021 Convertible Notes. The Company recorded $0.3 million and $0 million as general and administrative and expense related to the changes in fair value of Revesting Notes during the three months ended March 31, 2022 and March 31, 2021, respectively.

The retention bonuses are recognized in the consolidated balance sheet and vest monthly over a period of 24 months and require continuous employment. The expense associated with the Unvested Replacement Awards is recognized as stock-based compensation ratably over the remaining service period.

The 2021 and 2022 contingent consideration is based on the achievement of a Qualifying Units Sold Target for the period January 1, 2021 through December 31, 2021 (“2021 Contingent Consideration”) and for the period January 1, 2022 through December 31, 2022 (“2022 Contingent Consideration”, collectively, “Contingent Consideration”). The Contingent Consideration consists of 301,261 and 451,891 shares for 2021 and 2022, respectively, with the amount paid equal to the attainment relative to target in each year and settled in shares of the Company’s common stock. The Contingent Consideration shares payable is determined based on the percentage achievement relative to the target in each period, respectively, with greater than 100% attainment resulting in 100% payment, 90% to 100% attainment resulting in the number of shares equal to the percentage attainment, and less than 90% attainment equal to no consideration. The Contingent Consideration is held at fair value with changes in fair value recognized in general and administrative expense. The estimated fair value of the Contingent Consideration is determined by using a Monte Carlo Simulation scenario-based analysis that estimates the fair value of the Contingent Consideration based on the probability-weighted present value of the expected future cash flows, considering possible outcomes based on actual and forecasted results. The estimated fair value of the 2021 and 2022 Contingent Consideration upon issuance was $0.1 million and $5.8 million, respectively. The estimated fair value of the 2021 and 2022 Contingent Consideration as of December 31, 2021 was $6.3 million and $3.1 million, respectively. The Company recorded a $4.0 million gain as general and administrative expense related to the change in the fair value of the Contingent Consideration during the three months ended March 31, 2022.

The acquisition was accounted for as a business combination and the total purchase consideration was allocated to the net tangible and intangible assets and liabilities based on their fair values on the acquisition date and the excess was recorded to goodwill. The provisional values assigned to the assets acquired and liabilities assumed are based on preliminary estimates of fair value available as of the date of these financial statements and may be adjusted during the measurement period of up to 12 months from the date of acquisition. Any changes in the fair

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values of the assets acquired and liabilities assumed during the measurement period may result in adjustments to goodwill.

The assets acquired and liabilities assumed in connection with the acquisition were recorded at their fair value on the date of acquisition as follows (in thousands):
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	Fair Value
Net tangible assets	$ 5,986
Intangible assets	8,400
Goodwill	30,363
Liabilities assumed	(1,551)
Total acquisition consideration	$ 43,198

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The following table sets forth the components of identifiable intangible assets acquired (in thousands) and their estimated useful lives as of the date of acquisition:
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	Fair Value	Estimated Useful Life (in years)
Developed technology	$ 4,030	5
Trade name	3,380	10
Customer relationships	990	10
Total identified intangible assets	$ 8,400	

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Goodwill represents the future economic benefits arising from other assets that could not be individually identified and separately recognized, such as the acquired assembled workforce of Jiobit. In addition, goodwill represents the future benefits as a result of the acquisition that will enhance the Company's product available to both new and existing customers and increase the Company's competitive position. The goodwill is not deductible for tax purposes.

The Company estimated and recorded a net deferred tax liability of $0.1 million after offsetting the acquired available tax attributes with the intangible assets shown in the table above. Refer to Note 15 "Income Taxes" for discussion of the partial release of the Company's valuation allowance relating to the deferred tax liability.

The results of operations of Jiobit are included in the accompanying consolidated statements of operations and comprehensive loss from the date of acquisition.

Tile, Inc.

On January 5, 2022, the Company completed the acquisition of Tile, Inc. ("Tile"), a privately held consumer electronics company. The company is based in San Mateo, California and was founded in 2012. Tile is a smart location company, with a Bluetooth enabled device that works in tandem with the Tile Application (the "Application"), to enable its customers to locate Tiled objects. Tile offers a comprehensive list of products to use with the application, along with optional subscription services to enhance features offered for Tile products. The addition of Tile is expected to strengthen and extend Life360's market leadership position by leveraging Tile's
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developed technology and customer relationships to accelerate the Company's own product development and augment the Life360 team with a critical mass of talent with strong tracking for misplaced things. The aggregate purchase consideration was $173.5 million, of which $158.0 million was paid in cash and $15.4 million paid in equity. The $15.4 million in equity was comprised of 780,593 shares of the Company's common stock valued on the date of acquisition and 534,465 shares of common stock contingent consideration which was promised upon reaching certain operational goals. Of the consideration transferred, $14.1 million in cash and 84,524 common shares were placed in an indemnity escrow fund to be held for fifteen months after the acquisition date for general representations and warranties.

A total of $35 million was excluded from purchase consideration which consists of retention consideration of 1,499,349 shares of retention restricted stock units valued at $29.6 million, $0.4 million related to 38,730 vested common stock options issued to Tile employees ("replacement awards") as stock-based compensation on the acquisition date and change in control bonuses of $3 million which were recognized as compensation expense on the unaudited condensed consolidated statements of operations on the acquisition date. The Company incurred transaction related expenses of $1.7 million, which were recorded under general and administrative expenses in the consolidated statements of operations. The remaining costs excluded from purchase consideration were a result of 1,561 shares granted to key employee and vested based continued employment and 4,784 shares of contingent consideration granted to a key employee and vested based on continued employment.

Of the 1,499,349 shares of retention restricted stock units, 787,446 shares valued at $15.6 million contain performance vesting criteria based on the achievement of certain company milestones, and vest over a two-year period. The remaining retention restricted stock units of 711,903 shares vest over a two-to-four-year period.

The contingent consideration is based on the achievement of the Company's achievement certain targets for revenue and earnings before interest, taxes, depreciation, and amortization ("EBITDA") for the fourth quarter of calendar year 2021 and the first quarter of calendar year 2022. The Company determined that the criteria to satisfy the contingent consideration was not met, and as such, no value was ascribed to the contingent consideration.

The acquisition was accounted for as a business combination and the total purchase consideration was allocated to the net tangible and intangible assets and liabilities based on their fair values on the acquisition date and the excess was recorded to goodwill. The provisional values assigned to the assets acquired and liabilities assumed are based on preliminary estimates of fair value available as of the date of these financial statements and certain assets and liabilities may be subject to adjustment during the measurement period of up to 12 months from the date of acquisition including, but not limited to, intangible assets, certain reserves and income taxes. Any changes in the fair values of the assets acquired and liabilities assumed during the measurement period may result in adjustments to goodwill.
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The assets acquired and liabilities assumed in connection with the acquisition were recorded at their fair value on the date of acquisition as follows (in thousands):

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	Fair Value
Cash	$ 32,997
Restricted cash	1,050
Accounts receivable	27,826
Prepaid expenses and other current assets	5,004
Inventory	7,523
Property and equipment	570
Prepaid expenses and other assets, noncurrent	482
Intangible assets	52,700
Goodwill	102,021
Accounts payable	(23,197)
Accrued expenses and other current liabilities	(24,613)
Deferred revenue	(8,908)
Total acquisition consideration	$173,455

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The following table sets forth the components of identifiable intangible assets acquired and their estimated useful lives as of the date of acquisition:

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	Fair Value (in thousands)	Estimated Useful Life (in years)
Developed technology	$ 18,400	5
Trade name	20,000	10
Customer relationships	14,300	8
Total identified intangible assets	$ 52,700	

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Goodwill represents the future economic benefits arising from other assets that could not be individually identified and separately recognized, such as the acquired assembled workforce of Tile. In addition, goodwill represents the future benefits as a result of the acquisition that will enhance the Company's product available to both new and existing customers and increase the Company's competitive position. The goodwill is not deductible for tax purposes.

The results of operations of Tile are included in the accompanying consolidated statements of operations from the date of acquisition. The operating results of Tile for the 2022 pre-acquisition period were immaterial and therefore pro forma financial disclosures have been omitted.

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8. Balance Sheet Components

Accounts receivable, net

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	As of March 31, 2022 (unaudited)	As of December 31, 2021
Accounts receivable	$ 22,537	$ 11,772
Allowance for doubtful accounts	(94)	—
Accounts receivable, net	$ 22,443	$ 11,772

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Inventory

Inventory consists of the following (in thousands):

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	As of March 31, 2022 (unaudited)	As of December 31, 2021
Raw materials	$ 1,592	$ 1,298
Finished goods	9,007	711
Total inventory	$ 10,599	$ 2,009

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Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following (in thousands):

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	As of March 31, 2022 (unaudited)	As of December 31, 2021
Prepaid expenses	$ 10,894	$ 9,798
Other receivables	2,775	792
Total prepaid expenses and other current assets	$ 13,669	$ 10,590

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Prepaid expenses primarily consist of certain cloud platform and customer service program costs. Other receivables primarily consist of future tax refunds and deposits held by retail partners.

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Property and Equipment, net

Property and equipment, net consists of the following (in thousands):

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	As of March 31, 2022 (unaudited)	As of December 31, 2021
Computer equipment	$ 671	$ 479
Leasehold improvements	1,007	923
Production manufacturing equipment	624	378
Furniture and fixtures	431	422
Total Property and equipment, gross	2,733	2,202
Less: accumulated depreciation	(1,953)	(1,622)
Total property and equipment, net	$ 780	$ 580

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Depreciation expense was $0.1 million and $0.1 million for the three months ended March 31, 2022 and March 31, 2021, respectively.

Prepaid Expenses and Other Assets, noncurrent

Prepaid expenses and other assets, noncurrent consist of the following (in thousands):

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	As of March 31, 2022 (unaudited)	As of December 31, 2021
Prepaid expenses	$ 2,972	$ 3,324
Investment in affiliate	5,474	—
Other assets	872	367
Software development costs	159	—
Total prepaid expenses and other assets, noncurrent	$ 9,477	$ 3,691

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Prepaid expenses primarily consist of cloud platform costs. Investment in affiliate relates to warrants to purchase shares of common stock of a current Data Revenue Partner. Refer to Note 3 “Revenue” for additional information.

Leases

The Company currently leases real estate space under non-cancelable operating lease agreements for its corporate headquarters in San Francisco, San Mateo and San Diego, California and Chicago, Illinois. The operating leases have remaining lease terms ranging from 1 to 4 years, some of which include the option to extend the lease.

The Company has recognized operating ROU assets, short term and long-term lease liabilities of $2.6 million, $2.5 million, and $0.2 million in “Prepaid expenses and other assets, noncurrent”, “Accrued expenses and other liabilities” and “other noncurrent liabilities”, respectively, on the Company’s consolidated balance sheet as of March 31, 2022.

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The Company has recognized operating ROU assets, short term and long-term lease liabilities of $1.6 million, $1.6 million, and $0.3 million in "Prepaid expenses and other assets, noncurrent", "Accrued expenses and other liabilities" and "other noncurrent liabilities", respectively, on the Company's consolidated balance sheet as of December 31, 2021.

The Company did not have any finance leases as of March 31, 2022 or December 31, 2021.
Operating lease costs were as follows (in thousands):
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	Three Months Ended March 31,	
	2022	2021
	unaudited	
Operating lease cost (1)	$ 394	$ 355

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(1) Amounts include short-term leases, which are immaterial.

As of March 31, 2022, the weighted-average remaining term of the Company's operating leases was 1.31 years and the weighted-average discount rate used to measure the present value of the operating lease liabilities upon acquisition of Tile, Inc. on January 5, 2022 was 5%.

As of December 31, 2021, the weighted-average remaining term of the Company's operating leases was 1.3 years and the weighted-average discount rate used to measure the present value of the operating lease liabilities was 4.75% as of adoption date of January 1, 2020.

Maturities of the Company's operating lease liabilities, which do not include short-term leases, as of March 31, 2022 were as follows (in thousands):
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	Operating leases
Remainder of 2022	$ 1,807
2023	932
2024	61
Total future minimum lease payments	2,800
Less imputed interest	(89)
Total lease liability	$ 2,711

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Maturities of the Company's operating lease liabilities, which do not include short-term leases, as of December 31, 2021 were as follows (in thousands):
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	Operating leases
2022	$ 1,628
2023	237
2024	61
Total future minimum lease payments	1,926
Less imputed interest	(63)
Total lease liability	$ 1,863

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Payments for operating leases included in cash from operating activities were $0.6 million and $0.4 million for the three months ended March 31, 2022 and 2021, respectively.

Intangible Assets, net

Intangibles, net consists of the following (in thousands):

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	As of March 31, 2022	As of December 31, 2021
	(unaudited)	
Intellectual property	$ 225	$ 225
Licenses	237	237
Developed technologies	255	255
Trade name	23,380	3,380
Technology	22,430	4,030
Customer relationships	15,290	990
Total intangible assets, gross	61,817	9,117
Less: accumulated amortization	(3,209)	(1,131)
Total intangible assets, net	$ 58,608	$ 7,986

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Amortization expense was $2.1 million and $0 million for the three months ended March 31, 2022 and March 31, 2021, respectively.

As of March 31, 2022, estimated remaining amortization expense for intangible assets by fiscal year is as follows (in thousands):

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	Amount
	(unaudited)
Remainder of 2022	$ 6,533
2023	8,711
2024	8,711
2025 and beyond	34,655
Total future amortization expense	$ 58,608

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As of March 31, 2021 there was no estimated remaining amortization expense for intangible assets.

The detail of intangible assets, net is as follows (in thousands):

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	As of March 31, 2022					
	Intellectual property	Licenses	Developed technologies	Trade name	Technology	Customer relationships
Total intangible assets	$ 225	$ 237	$ 255	$23,380	$ 22,430	$ 15,290
Less accumulated amortization	(225)	(237)	(255)	(670)	(1,341)	(481)
Total intangible assets, net	$ —	$ —	$ —	$22,710	$ 21,089	$ 14,809

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	As of December 31, 2021					
	Intellectual property	Licenses	Developed technologies	Trade name	Technology	Customer relationships
Total intangible assets	$ 225	$ 237	$ 255	$3,380	$ 4,030	$ 990
Less accumulated amortization	(225)	(237)	(255)	(113)	(268)	(33)
Total intangible assets, net	$ —	$ —	$ —	$3,267	$ 3,762	$ 957

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Goodwill

Goodwill consists of the following (in thousands):

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	As of March 31, 2022	As of December 31, 2021
	(unaudited)	
Beginning balance	$ 31,127	$ 764
Acquisitions	102,021	30,363
Total goodwill	$ 133,148	$ 31,127

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Accruals and Other Current Liabilities

Accruals and other current liabilities consist of the following (in thousands):

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	As of March 31, 2022	As of December 31, 2021
	(unaudited)	
Accrued vendor expenses	$ 11,678	$ 7,478
Accrued compensation	6,543	1,324
Customer related promotions and discounts	4,835	—
Lease liability	2,478	1,574
Other current liabilities	3,081	171
Total accrued expenses and other liabilities	$ 28,615	$ 10,547

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Other current liabilities primarily relate to warranty liabilities related to the Company's hardware tracking devices.

Escrow Liability

The escrow liability relates to restricted cash associated with the Tile, Inc. acquisition placed in an indemnity escrow fund to be held for fifteen months after the acquisition date for general representations and warranties. The balance was included within total consideration transferred.

As of March 31, 2022 the total escrow liability was $14.1 million and is included within long term liabilities. No escrow liability was recorded as of December 31, 2021.

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Other Non-Current Liabilities

Other non-current liabilities consist of the following (in thousands):

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	As of March 31, 2022 (unaudited)	As of December 31, 2021
Other deposit liabilities	$ 1,172	$ 916
Lease liability	233	289
Total other noncurrent liabilities	$ 1,405	$ 1,205

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9. Convertible Notes

In July 2021, the Company issued convertible notes ("July 2021 Convertible Notes") to investors with an underlying principal amount of $2.1 million. The July 2021 Convertible Notes accrue simple interest at an annual rate of 4% and mature on July 1, 2026. The July 2021 Convertible Notes may be settled under the following scenarios at the option of the holder: (i) at any time into common shares equal to the conversion amount of outstanding principal and any accrued but unpaid interest divided by the conversion price of $11.96; (ii) at the option of the holder upon a liquidation event a) paid in cash equal to the outstanding principal and any accrued but unpaid interest or b) into common shares equal to the conversion amount of outstanding principal and any accrued but unpaid interest divided by the conversion price of $11.96; or (iii) upon maturity, settlement in cash at the outstanding accrued interest and principal amount.

Certain conversion and redemption features of the July 2021 Convertible Notes were determined to not be clearly and closely associated with the risk of the debt-type host instrument and were required to be separately accounted for as derivative financial instruments. The Company bifurcated these embedded conversion and redemption ("embedded derivatives") features and classified these as liabilities measured at fair value. The fair value of the derivative liability of $0.7 million was recorded separate from the July 2021 Convertible Notes with an offsetting amount recorded as a debt discount. The debt discount is amortized over the estimated life of the debt using the straight-line method, as the value attributable to the July 2021 Convertible Notes was zero upon issuance.

As of December 31, 2021 the unamortized amount and net carrying value of the July 2021 Convertible Notes is $1.9 million and $0.2 million, respectively. The amount by which July 2021 Convertible Notes if-converted value exceeds its principal is $1.6 million as of December 31, 2021.

As of March 31, 2022 the unamortized amount and net carrying value of the July 2021 Convertible Notes is $1.8 million and $0.3 million, respectively. The amount by which July 2021 Convertible Notes if-converted value exceeds its principal is $0.2 million as of March 31, 2022.

In connection with the July 2021 Convertible Notes, the Company issued warrants to purchase 88,213 shares of the Company's common stock with an exercise price of $0.01 per share and a term of one year (Warrant Tranche 1), 44,106 shares of the Company's common stock with an exercise price of $11.96 per share and a term of 5 years (Warrant Trance 2), and 44,106 shares of the Company's common stock which is exercisable starting twelve months from the issuance date with an exercise price of $11.96 per share and a term of 5 years (Warrant Tranche 3).

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The fair value of the warrants was determined using the Black-Scholes option-pricing method, with the following assumptions:
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	Warrants Tranche 1	Warrants Tranche 2	Warrants Tranche 3
Fair market value of common stock	$ 15.36	$ 15.36	$ 15.36
Expected dividend yield	— %	— %	— %
Risk-free interest rate	0.09%	0.89%	0.89%
Expected volatility	52.0%	47.4%	47.4%
Expected term (in years)	1	5	5

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The warrants were recorded to additional paid-in capital during the year ended December 31, 2021. The relative fair value of the warrants issued in connection with the July 2021 Convertible Notes was $0.8 million and was recorded as a debt discount that is being amortized to interest expense under the straight-line method over the term of respective convertible notes.

As a result of the beneficial conversion feature associated with the July 2021 Convertible Notes, $0.6 million was added to additional paid-in capital during the year ended December 31, 2021. The beneficial conversion feature was recorded as a debt discount and is being amortized to interest expense under the straight-line method over the term of the respective notes.

The Company recognized a total of $0.2 million and $0.3 million in non-cash interest expense related to the July 2021 Convertible Notes during the year ended December 31, 2021 and for the three months ended March 31, 2022, respectively.

The Company has also issued convertible notes, September 2021 Convertible Notes, in connection with an acquisition. Refer to Note 7 “Business Combinations” for further details.

Convertible notes, current and noncurrent consist of the following (in thousands):
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	As of March 31, 2022 *(unaudited)*	As of December 31, 2021
Convertible notes, current:		
September 2021 Convertible Notes	$ 3,694	$ 4,160
Revesting Notes	99	62
Convertible notes, noncurrent:		
July 2021 Convertible Notes	317	213
September 2021 Convertible Notes	6,838	7,947
Revesting Notes	183	124
Total convertible notes	$ 11,131	$ 12,506

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10. Derivative Liability

The Company’s derivative liability represents embedded share-settled redemption features bifurcated from its July 2021 Convertible Notes and is carried at fair value. The changes in the fair value of the derivative liability are recorded in other (income)/expense of the Company’s consolidated statements of operations and comprehensive loss.
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Estimating fair values of derivative financial instruments requires the development of significant and subjective estimates that may, and are likely to, change over the duration of the instrument with related changes in internal and external market factors. Since derivative financial instruments are initially and subsequently carried at fair value, the Company's income will reflect the volatility in these estimate and assumption changes.

The features embedded in the July 2021 Convertible Notes are combined into one compound embedded derivative. The fair value of the embedded derivative was estimated based on the present value of the redemption discount applied to the principal amount of the July 2021 Convertible Notes adjusted to reflect the weighted probability of exercise. The discount rate was based on the risk-free interest rate.

Upon the issuance of the convertible notes, the Company recorded a derivative liability of $0.7 million at fair value using inputs classified as Level 3 in the fair value hierarchy. Refer to Note 6 "Fair Value Measurements" for further details.

11. Commitments and Contingencies

Purchase Commitments

The Company has certain commitments from outstanding purchase orders primarily related to technology support, facilities, marketing and branding and professional services. These agreements, which total $16.3 million for the three months ended March 31, 2022 and $11.0 million for the year ended December 31, 2021 and are cancellable at any time with the Company required to pay all costs incurred through the cancellation date.

Contingencies

From time to time, the Company may have certain contingent liabilities that arise in the ordinary course of business activities. The Company accrues a liability for such matters when it is probable that future expenditures will be made, and such expenditures can be reasonably estimated. The Company is not subject to any current pending legal matters or claims that would have a material adverse effect on its financial position, results of operations or cash flows.

Indemnification

The Company enters into standard indemnification agreements in the ordinary course of business. Pursuant to these arrangements, the Company indemnifies, holds harmless, and agrees to reimburse the indemnified parties for losses suffered or incurred by the indemnified party, in connection with any trade secret, copyright, patent or other intellectual property infringement claim by any third party with respect to its technology. The term of these indemnification agreements is generally perpetual after the execution of the agreement. The maximum potential amount of future payments the Company could be required to make under these agreements is not determinable because it involves claims that may be made against the Company in the future but have not yet been made. The Company has not incurred costs to defend lawsuits or settle claims related to these indemnification agreements.

The Company has entered into indemnification agreements with its directors and officers that may require the Company to indemnify its directors and officers against liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct of the individual. No amounts associated with such indemnifications have been recorded to date.
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Litigation

On March 12, 2019, a former competitor of Tile, Cellwitch, Inc, filed a patent infringement claim against the Company in the US District Court, Northern District of California ("Court"). On May 2, 2019, the Company filed a motion to dismiss the case. The plaintiff amended its complaint on May 16, 2019, and the Company filed a renewed motion to dismiss the amended complaint on May 30, 2019. On November 21, 2019, the Court issued an order denying Tile's motion to dismiss the case but finding the underlying patent to be directed to an abstract idea. On December 5, 2019, Tile filed an inter partes review petition with the Patent Trial and Appeal Board ("PTAB") challenging the validity of the patent. On December 24, 2019, Tile filed a motion to stay pending the review of the patent. On January 17, 2020, the Court granted Tile's motion to stay and ordered the parties to file a joint status report on June 30, 2020. Both parties appealed the PTAB's Final Written Decision on Tile's inter partes review petition, which was affirmed on May 13, 2022.

Separately, another former competitor of Tile, Linquet Technologies, also sued Tile for patent infringement. In mid-September 2021, the Court dismissed Linquet Technologies' complaint in its entirety with leave to amend, although stating that given the patent at issue the Court did not believe they could state a valid claim. Linquet filed their amended complaint on October 8, 2021. The Company moved to dismiss the claim on October 22, 2021. An inter partes review petition with the PTAB is currently pending. The Company's second motion to dismiss is currently pending. Meanwhile, on November 17, 2021, the US Patent and Trademark Office granted Tile's institution of inter partes review as to all claims of the Linquet patent which is currently pending.

The Company is unable to predict the outcome of the above matters or estimate the range of possible loss, if any. Although the proceedings are subject to uncertainties inherent in the litigation process and the ultimate disposition of these proceedings is not presently determinable, the Company intends to vigorously defend the matters

12. Common Stock

As of December 31, 2021 and March 31, 2022, the Company was authorized to issue up to 100,000,000 shares of par value $0.001 per share common stock.

As of December 31, 2021 and March 31, 2022, the Company had 108,592 shares of common stock subject to the Company's right to repurchase.

The Company has also issued shares of common stock as a result of stock option exercises throughout its existence. Common stockholders are entitled to dividends when and if declared by the Board of Directors subject to the prior rights of the preferred stockholders. The holder of each share of common stock is entitled to one vote. The common stockholders voting as a class are entitled to elect three members to the Company's Board of Directors. No dividends have been declared in the Company's existence.

In December 2021, the Company issued a total of 7,779,014 common shares raising proceeds before issuance costs of $198.7 million.
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The Company had reserved shares of common stock, on an as if converted basis, for issuance as follows:
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	As of March 31, 2022 (unaudited)	As of December 31, 2021
Issuances under stock incentive plan	7,879,793	6,972,376
Issuances upon exercise of common stock warrants	205,109	272,001
Issuances upon vesting of restricted stock units	5,341,004	2,523,122
Issuances of convertible notes	—	686,926
Shares reserved for shares available to be granted but not granted yet	2,953,884	4,071,403
	16,379,790	14,525,828

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13. Warrants

As of December 31, 2021 and March 31, 2022, the Company had outstanding warrants to purchase 272,001 and 205,109 shares of Company common stock, respectively with exercise prices ranging from $0.01 to $11.96 and expiry dates ranging from 2022 to 2028. Refer to Note 9 “Convertible Notes” for further details.

14. Equity Incentive Plan

2011 Equity Incentive Plan

The Company’s 2011 Stock Plan was originally adopted by our Board of Directors on July 27, 2011 and our stockholders on October 11, 2011, and most recently amended by our Board on September 7, 2018 and our stockholders (as restated, the “Plan”). The Plan allows us to grant restricted stock units, restricted stock and stock options to employees and consultants of the Company and any of the Company’s parent, subsidiaries, or affiliates, and to the members of our Board of Directors. Options granted under the Plan may be either incentive stock options or nonqualified stock options. Incentive stock options, or ISOs, may be granted only to employees of the Company or any of the Company’s parent or subsidiaries (including officers and directors who are also employees). Nonqualified stock options, or NSOs, may be granted to any person eligible for grants under our Plan.

Under the Plan, the Board of Directors determines the per share exercise price of each stock option, which for ISOs shall not be less than 100% of the fair market value of a share on the date of grant; provided that the exercise price of an ISO granted to a stockholder who at the time of grant owns stock representing more than 10% of the voting power of all classes of stock (a “10% stockholder”) shall not be less than 110% of the fair market value of a share on the date of grant.

The Board of Directors determines the period over which options vest and become exercisable. Options granted to new employees generally vest over a 4-year period: 25% of the shares vest on the first anniversary from the vesting commencement date of the option and an additional 1/48th of the shares vest on each monthly anniversary thereafter, subject to the employee’s continuous service through each vesting date. Options granted to continuing employees generally vest monthly over a 4-year period.
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The Board of Directors also determines the term of options, provided the maximum term for ISOs granted to a 10% stockholder must be no longer than 5 years from date of grant and the maximum term for all other options must be no longer than 10 years from date of grant. If an option holder's service terminates, options generally terminate 3 months from the date of termination except under certain circumstances such as death or disability.

The following summary of stock option activity for the periods presented is as follows:

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	Number of Shares Underlying Outstanding Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Life (in Years)	Aggregate Intrinsic Value
Balance as of December 31, 2020	7,794,313	$ 4.30	8.00	$ 34,869
Options granted	1,416,329	13.05		
Options exercised	(1,056,352)	3.19		
Options cancelled/forfeited	(1,181,914)	7.85		
Balance as of December 31, 2021	6,972,376	5.61	6.71	108,426
Exercisable as of December 31, 2021	4,738,526	4.15	6.74	80,608
Options granted (unaudited)	1,232,473	10.59		
Options exercised (unaudited)	(279,249)	5.34		
Options cancelled/forfeited (unaudited)	(45,807)	7.07		
Balance as of March 31, 2022 (unaudited)	7,879,793	6.83	7.59	50,585
Exercisable as of March 31, 2022 (unaudited)	4,860,304	$ 4.32	6.72	$ 43,515

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As of March 31, 2022, the Company had 27,294,447 shares authorized for issuance and 2,953,884 shares available for issuance under the Plan. Stock options granted during the three months ended March 31, 2022 had a weighted average grant date fair value of $8.30 per share.

The intrinsic values of outstanding, vested, and exercisable options were determined by multiplying the number of shares by the difference in exercise price of the options and the fair value of the common stock as of March 31, 2022 of $13.25 per share, respectively. The intrinsic value of the options exercised represents the difference between the exercise price and the fair market value on the date of exercise.

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The following summary of Restricted Stock Units (RSU) activity for the periods presented is as follows:
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	Number of Shares	Weighted average grant date fair value
Balance as of December 31, 2020	2,299,417	$ 6.52
RSU granted	1,678,982	14.86
RSU vested and settled	(819,295)	17.04
RSU cancelled/forfeited	(635,982)	7.97
Balance as of December 31, 2021	2,523,122	$ 11.53
RSU granted (unaudited)	3,162,346	13.39
RSU vested and settled (unaudited)	(198,029)	9.67
RSU cancelled/forfeited (unaudited)	(146,435)	11.57
Balance as of March 31, 2022 (unaudited)	5,341,004	$ 12.72

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The number of RSUs vested and settled includes shares of common stock that the Company withheld on behalf of employees to satisfy the minimum statutory tax withholding requirements.

Stock Options Granted to Employees

The fair value of the employee stock options granted is estimated using the Black-Scholes option-pricing model, based on the following assumptions:
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	Three Months Ended March 31, 2022 *(unaudited)*	Year Ended December 31, 2021
Expected terms (in years)	4.03	4.24
Expected volatility	63%	49%
Risk-free interest rate	1.91%	0.68%
Expected dividend rate	0%	0%

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Fair Value of Common Stock: As the Company's stock is traded on the public market, the fair value on the date of the grant is used.

Expected Term: The expected term for employees is based on the simplified method, as the Company's stock options have the following characteristics: (i) granted at-the-money; (ii) exercisability is conditional upon service through the vesting date; (iii) termination of service prior to vesting results in forfeiture; (iv) limited exercise period following termination of service; and (v) options are non-transferable and non-hedgeable, or "plain vanilla" options, and the Company has limited history of exercise data. The expected term for non-employees is based on the remaining contractual term.

Expected Volatility: As the Company has limited historical trading data regarding the volatility of its common stock, the expected volatility is based on volatility of a Company of similar entities and the Company's trading data since IPO. In evaluating similarity, the Company considered factors such as industry, stage of life cycle and
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size. The Company will continue to analyze the historical stock price volatility and expected term assumptions as more historical data for the Company's common stock becomes available.

Risk-Free Interest Rate: The risk-free interest rate is based on U.S. Treasury constant maturity rates with remaining terms similar to the expected term of the options.

Expected Dividend Rate: The Company has never paid any dividends and does not plan to pay dividends in the foreseeable future, and, therefore, an expected dividend rate of zero is used in the valuation model.

Forfeitures: The Company accounts for forfeitures as they occur.
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Equity Awards Issued in Connection with Business Combinations

Jiobit, Inc.

In connection with the Jiobit transaction in September 2021, the Company issued 91,217 shares of restricted common stock with an aggregate fair value of $1.9 million to be recognized as post combination stock-based compensation ratably with continuous employment of certain employees over a 3-year period.

As of December 31, 2021, there was $1.7 million of unrecognized compensation expense related to this restricted common stock which is expected to be recognized over the remaining weighted average life of 2.7 years. As of March 31, 2022, there was $1.5 million of unrecognized compensation expense related to the restricted common stock which is expected to be recognized over the remaining weighted average life of 2.4 years.

Additionally, the Company granted 43,083 service-based stock options under the Plan to certain Jiobit employees with an aggregate fair value of $0.5 million which vests ratably over the requisite service period. As of December 31, 2021, there was $0.5 million of unrecognized compensation expense related to unvested assumed stock options, which is expected to be recognized over the remaining weighted average life of 2.0 years. As of March 31, 2022, there was $0.4 million of unrecognized compensation expense related to unvested assumed stock options, which is expected to be recognized over the remaining weighted average life of 2.6 years.

Tile, Inc.

In connection with the Tile transaction in January 2022, the Company issued 1,499,349 shares of retention restricted stock units with an aggregate fair value of $29.6 million. Of the 1,499,349 shares of retention restricted stock units, 787,446 shares valued at $15.6 million contained performance vesting criteria based on the achievement of certain company milestones during the first quarter of 2022, and vest over a two-year period. As of March 31, 2022, the vesting criteria had not been met and all 787,446 restricted stock units were forfeited. The remaining 711,903 retention restricted stock units vest over a two-to-four-year period. As of March 31, 2022, there was $12.6 million of unrecognized compensation expense related to the retention restricted stock units which is expected to be recognized over the remaining weighted average life of 2.2 years.

The Company also issued 38,730 vested common stock options to Tile employees as stock-based compensation on the acquisition date. The aggregate fair value of $0.4 million was recognized as compensation expense on the date of acquisition.
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A total of 694,672 shares of common stock with an aggregate fair value of $13.7 million were issued to Tile shareholders as part of purchase consideration. All $13.7 million was expensed on the date of acquisition.

A total of 1,561 shares of common stock with an aggregate fair value of $0.03 million were issued to a key employee the vesting of which is subject to continued employment over a 30-month period. As of March 31, 2022, there was $0.03 million of unrecognized compensation expense related to unvested restricted stock units which is expected to be recognized over the remaining 2 years.

A total of 694,672 shares of common stock were issued as part of consideration transferred and were placed in an indemnity escrow fund to be held for fifteen months after the acquisition date for general representations and warranties. The aggregate fair value of $1.7 million was recognized as compensation expense on the date of the acquisition.

Stock-Based Compensation

Stock-based compensation expense was allocated as follows (in thousands):
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	Three Months Ended March 31,	
	2022	2021
	(unaudited)	
Cost of revenue	$ 222	$ 118
Research and development	3,591	1,448
General and administrative	1,439	519
Sales and marketing	843	114
Total stock based compensation expense	$ 6,095	$ 2,199

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As of December 31, 2021, there was total unrecognized compensation cost for outstanding stock options of $7.0 million to be recognized over a period of approximately 2.6 years. As of March 31, 2022, there was total unrecognized compensation cost for outstanding stock options of $11.4 million to be recognized over a period of approximately 2.98 years.

As of December 31, 2021, there was unrecognized compensation cost for outstanding restricted stock units of $26.6 million to be recognized over a period of approximately 3.2 years. As of March 31, 2022, there was unrecognized compensation cost for outstanding restricted stock units of $55 million to be recognized over a period of approximately 3.1 years.

There were no capitalized stock-based compensation costs or recognized stock-based compensation tax benefits during the year ended December 31, 2021 or the three months ended March 31, 2022.

15. Income Taxes

The provision for income taxes for interim periods is determined using an estimated annual effective tax rate in accordance with ASC 740-270, Income Taxes, Interim Reporting. The effective tax rate may be subject to fluctuations during the year as new information is obtained, which may affect the assumptions used to estimate the annual effective tax rate, including factors such as valuation allowances against deferred tax assets, the recognition or de-recognition of tax benefits related to uncertain tax positions, if any, and changes in or the interpretation of tax laws in jurisdictions where the Company conducts business.
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The Company recorded a benefit for income taxes of $0.1 million and $0 million for the periods ended March 31, 2022 and March 31, 2021, respectively. In accordance with ASC 805, a change in the acquirer's valuation allowance that stems from a business combination should be recognized as an element of the acquirer's income tax expense or benefit in the period of acquisition. Accordingly, in the three months ended March 31, 2022, the Company recorded a provisional $0.1 million partial release of its valuation allowance and a corresponding income tax benefit stemming from the Tile acquisition. The benefit was offset by a $50.0 thousand income tax expense for state income taxes.

The Company did not record any provision or benefit for income taxes for the three months ended March 31, 2021, as the Company had a full valuation allowance for the period presented. In addition, the net deferred tax assets generated from net operating losses are fully offset by a valuation allowance as the Company believes it is not more likely than not that the benefit will be realized.

16. Related-Party Transactions

The Company has entered into secondary financing transactions and other transactions with certain executive officers and Board members of the Company. A summary of the transactions is detailed below:

Notes Due From Affiliates (Contra Equity)

In February 2016, the Company issued an aggregate of $0.6 million in secured partial recourse promissory notes ("partially secured loan") to the Chief Executive Officer, Non-Executive Director (Previously President), Chief Operating Officer and an officer of the Company.

The Company accounted for the 2016 partially secured loan as consideration received for the exercise of the related equity award, because even after the original options are exercised or the shares are purchased, an employee could decide not to repay the loan if the value of the shares declines below the outstanding loan amount and could instead choose to return the shares in satisfaction of the loan. The result would be similar to an employee electing not to exercise an option whose exercise price exceeds the current share price. When shares are exchanged for a partially secured loan, the principal and interest are viewed as part of the exercise price of the "option" and no interest income is recognized. Additionally, compensation cost is recognized over any requisite service period, with an offsetting credit to additional paid-in capital. Periodic principal and interest payments, if any, are treated as deposit liabilities until the note is paid off, at which time, the note balance is settled and the deposit liability balance is transferred to additional paid-in capital. As of March 31, 2022 and December 31, 2021, the Company had deposit liability balances of $0.7 million, in connection with the 2016 partially secured loan and other early exercises of equity awards. Principal amounts due under the 2016 partially secured loan, or $1 million, are included in Notes Due From Affiliates as a reduction in stockholders' equity on the balance sheets.

Other Related Party Transactions

Non-executive director, James Synge, is a Principal and Partner of Carthona Capital. During the year ended December 31, 2021, the Group entered into a consultancy agreement with non-executive director, James Synge. Under this agreement, Mr. Synge agreed to provide consultancy services to the Group in relation to capital raising matters. During the three months ended March 31, 2022, Mr. Synge received consideration of $100,000.
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Annika Hulls is the spouse of the CEO and Executive Director, Chris Hulls. For the three months ended March 31, 2022, a cash payment of $6,500 was paid to Annika Hulls for services relating to a marketing campaign.

17. Defined Contribution Plan

The Company sponsors a defined contribution plan under Section 401(k) of the Internal Revenue Code covering substantially all employees over the age of 21 years. Contributions made by the Company are voluntary and are determined annually by the Board of Directors on an individual basis subject to the maximum allowable amount under federal tax regulations. The Company has made no contributions to the plan since its inception.

18. Net Loss Per Share Attributable to Common Shareholders

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders (in thousands):

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	Three Months Ended March 31,	
	2022	2021
	(unaudited)	
Net loss attributable to common shareholders	$ (25,222)	$ (3,852)
Weighted-average shares used in computing net loss per share attributable to common shareholders, basic and diluted	61,193	50,119
Net loss per share attributable to common shareholders, basic and diluted	$ (0.41)	$ (0.08)

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The potential shares of common stock that were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented because including them would have been antidilutive are as follows:

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	As of March 31, 2022	As of December 31, 2021
	(unaudited)	
Issuances under stock incentive plan	7,879,793	6,972,376
Issuances upon exercise of common stock warrants	205,109	272,001
Issuances upon vesting of restricted stock units	5,341,004	2,523,122
Issuances of convertible notes	—	686,926
Shares reserved for shares available to be granted but not granted yet	2,953,884	4,071,403
	16,379,790	14,525,828

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19. Subsequent Events

The Company evaluated its March 31, 2022 unaudited interim condensed consolidated financial statements for subsequent events through June 13, 2022, the date the unaudited interim condensed consolidated financial statements were originally issued.

Jiobit Contingent Consideration

In April 2022, the Board approved an amendment to the 2021 contingent consideration of the Jiobit acquisition. The 2021 contingent consideration has been amended to 50% of the total potential amount (376,576 shares of Life360 Common Stock in total).

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Report of Independent Auditors

To the Management and Board of Directors of Tile, Inc.

We have audited the accompanying consolidated financial statements of Tile, Inc. and its subsidiaries, which comprise the consolidated balance sheets as of March 31, 2021 and 2020, and the related consolidated statements of operations and comprehensive loss, of stockholders' deficit and of cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tile, Inc. and its subsidiaries as of March 31, 2021 and 2020, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, the Company changed the manner in which it accounts for revenue from contracts with customers in fiscal year 2021. Our opinion is not modified with respect to this matter.

/s/ PricewaterhouseCoopers LLP
San Jose, California
November 11, 2021

Tile, Inc.
Consolidated Balance Sheets
March 31, 2021 and 2020
(in thousands, except per share values)

	March 31, 2021	March 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 35,587	$ 21,914
Restricted cash	400	—
Accounts receivable, net	7,780	6,108
Inventories	5,031	15,780
Deferred cost of revenue, current portion	3,677	3,257
Prepaid expenses and other current assets	2,667	4,935
Total current assets	55,142	51,994
Property and equipment, net	407	949
Intangible assets, net	322	537
Deferred cost of revenue, non-current portion	291	788
Other assets	385	522
Total assets	$ 56,547	$ 54,790
Liabilities, convertible preferred stock, and stockholders' deficit		
Current liabilities:		
Accounts payable	$ 6,296	$ 3,577
Deferred revenues	8,880	7,198
Accrued liabilities	12,308	11,263
Accrued product returns	898	1,988
Term loan, current portion	6,850	—
Other current liabilities	1,632	1,046
Total current liabilities	36,864	25,072
Long-term debt, non-current portion, net	13,455	17,137
Warrant liability	579	598
Deferred revenues, non-current portion	636	1,241
Other long-term liabilities	39	105
Total liabilities	$ 51,573	$ 44,153
Commitments and contingencies (Note 6)		
Redeemable convertible preferred stock: $0.0001 par value; 41,334 shares authorized as of March 31, 2021 and 2020; and 36,535 shares issued and outstanding as of March 31, 2021 and 2020, respectively (Liquidation value: $119,802 as of March 31, 2021 and 2020, respectively)	119,564	119,564
Stockholders' deficit:		
Common stock, 72,000 and 55,000 authorized shares, $0.0001 par value, 11,555 and 11,461 shares issued and outstanding as of March 31, 2021 and 2020	1	1
Additional paid-in capital	5,969	4,628
Accumulated deficit	(120,587)	(113,550)
Accumulated other comprehensive income (loss)	27	(6)
Total stockholders' deficit	(114,590)	(108,927)
Total liabilities, convertible preferred stock and stockholders' deficit	$ 56,547	$ 54,790

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

Tile, Inc.
Consolidated Statements of Operations
Years Ended March 31, 2021 and 2020
(in thousands, except share and per share data)

	March 31,	
	2021	2020
Revenue		
Hardware	$82,333	$ 83,063
Subscriptions and other	11,676	7,460
Total revenue	$94,009	$ 90,523
Cost of revenue		
Cost of hardware	42,705	51,094
Cost of subscriptions and other	7,165	5,467
Total cost of revenue	49,870	56,561
Gross profit	44,139	33,962
Operating expenses:		
Research and development	20,547	18,667
Sales and marketing	17,943	25,343
General and administrative	10,569	8,153
Total operating expenses	49,059	52,163
Operating loss	$ (4,920)	$(18,201)
Interest expense	2,582	2,575
Loss on extinguishment of promissory note	—	516
Other (income)/expense, net	(401)	462
Loss before income tax (benefit) / expense	$ (7,101)	$(21,754)
Income tax (benefit)/expense	(64)	69
Net loss	$ (7,037)	$(21,823)

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

Tile, Inc.
Consolidated Comprehensive Statements of Operations
Years Ended March 31, 2021 and 2020
(in Thousands)

	March 31,	
	2021	2020
Net loss	$(7,037)	$(21,823)
Other comprehensive income (loss)		
Foreign currency adjustments	33	(6)
Comprehensive loss	$(7,004)	$(21,829)

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

Tile, Inc.
Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit
Years Ended March 31, 2021 and 2020
(in thousands, except share data)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balances as of March 31, 2019	**24,105**	**$ 72,841**	**11,282**	**$ 1**	**$ 3,414**	**$ (91,727)**	**$ —**	**$ (88,312)**
Exercise of stock options	—	—	179	—	126	—	—	126
Stock-based compensation expense	—	—	—	—	1,088	—	—	1,088
Issuance of Series C Preferred Stock at $3.7822, net of issuance costs of $290	11,065	41,562	—	—	—	—	—	—
Issuance of Series C-1 Preferred Stock at $3.7822, net of issuance costs of $0	1,365	5,161	—	—	—	—	—	—
Net loss	—	—	—	—	—	(21,823)	—	(21,823)
Cumulative translation adjustment	—	—	—	—	—	—	(6)	(6)
Balances as of March 31, 2020	**36,535**	**$ 119,564**	**11,461**	**$ 1**	**$ 4,628**	**$ (113,550)**	**$ (6)**	**$ (108,927)**
Exercise of stock options	—	—	93	—	66	—	—	66
Stock-based compensation expense	—	—	—	—	1,275	—	—	1,275
Net loss	—	—	—	—	—	(7,037)	—	(7,037)
Cumulative translation adjustment	—	—	—	—	—	—	33	33
Balances as of March 31, 2021	**36,535**	**$ 119,564**	**11,554**	**$ 1**	**$ 5,969**	**$ (120,587)**	**$ 27**	**$ (114,590)**

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

Tile, Inc.
Consolidated Statements of Cash Flows
(in thousands)

	March 31,	
	2021	**2020**
Operating activities		
Net loss	$ (7,037)	$ (21,823)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	939	1,319
Amortization of debt issuance costs	662	—
Stock-based compensation	1,275	1,088
Loss on extinguishment of promissory note	—	516
Interest on the conversion of promissory note to preferred stock	—	39
Loss on disposal of property and equipment	—	(23)
Changes in assets and liabilities:		
Accounts receivable, net	(1,672)	4,728
Inventories	10,749	(9,049)
Deferred cost of revenue	77	(1,070)
Prepaid expenses and other current assets	2,268	(3,304)
Other assets	137	(320)
Accounts payable	2,725	(10,244)
Deferred revenue	1,077	1,902
Accrued liabilities	1,045	4,176
Accrued product returns	(1,090)	1,440
Other liabilities	520	(1,890)
Net cash provided by/(used in) operating activities	11,675	(32,515)
Investing activities		
Purchase of property and equipment	(182)	(1,146)
Net cash used in investing activities	(182)	(1,146)
Financing activities		
Proceeds from issuance of Series C preferred stock, net of issuance costs	—	41,562
Proceeds from issuance of promissory note	—	4,606
Payments on working capital line of credit, net	—	(2,335)
Proceeds from term loan	—	18,988
Repayment on term loan	—	(12,892)
Proceeds from PPP loan	2,506	—
Debt issuance costs on term loan	—	(1,851)
Warrants on borrowings on term loan	(19)	598
Proceeds from exercise of employee stock options	66	126
Net cash provided by financing activities	2,553	48,802
Foreign currency effect on cash and cash equivalents	27	(6)
Net increase in cash and cash equivalents	14,046	15,141
Cash, cash equivalents and restricted cash at beginning of year	21,914	6,779
Cash, cash equivalents and restricted cash at end of year	$35,987	$ 21,914
Reconciliation of cash, cash equivalents, and restricted cash to the consolidated cash and cash equivalents	$35,587	$ 21,914
Restricted cash	400	—
Total cash, cash equivalents, and restricted cash	$35,987	$ 21,914
Supplemental cash flow information		
Cash paid for interest	$ 1,838	$ 1,964
Cash paid for income taxes	$ 167	$ 68
Supplemental disclosure of noncash financing and investing activities		
Conversion of promissory note to 1,364,564 shares of Series C-1 convertible preferred	$ —	$ 4,645

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

Tile, Inc.

Notes to the Consolidated Financial Statements

1. Description of the Business and Basis of Presentation

Business

Tile, Inc. ("Tile" or the "Company") was incorporated in September 2012, in the state of Delaware. Tile is a smart location company. Tile's product is a Bluetooth enabled device that works in tandem with the Tile Application (the "Application"), available on iOS or Android, to enable its customers to locate Tiled objects. The Tile itself operates like a buoy, transmitting a beacon that can be received by any phone or tablet with the Application installed. Operating in the background, the Application routinely uploads location information to a centralized server that maps the last location a Tile was seen. When a Tiled item is lost, a user may utilize the Application to ring the Tile if within Bluetooth range, access a map to identify the last known location of the Tile, or report a lost Tile to the server and ask the Tile community to help search for the lost item. Tile is based in San Mateo, California.

Basis of Presentation and Consolidation

The consolidated financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and include the accounts of Tile, Inc. and its subsidiaries, Tile Europe Ltd and Tile Network Canada ULC. All inter-company transactions and balances have been eliminated.

Risks and Uncertainties

The Company's business, operations, and financial results are subject to various risks and uncertainties, including adverse global economic conditions, including novel coronavirus (COVID-19), and competition in our industry that could adversely affect our business, financial condition, results of operations and cash flows. These important factors, among others, could cause our actual results to differ materially from any future results.

The ongoing and full extent of the impact of the COVID-19 pandemic on the Company's business, operational, and financial performance is uncertain and will depend on many factors outside the Company's control. Should the COVID-19 pandemic or global economic slowdown not improve or worsen, or if the Company's attempt to mitigate its impact on its operations and costs is not successful, the Company's business, results of operations, financial condition and prospects may be adversely affected.

The Company has financed its operations to date primarily with proceeds from the term loan facility. The Company's long-term success is dependent upon its ability to successfully market its products and services; generate revenue; maintain or reduce its operating costs and expenses; meet its obligations; obtain additional capital when needed; and ultimately, achieve profitable operations. Management believes that existing cash and investments as of March 31, 2021 will be sufficient to fund operating and capital expenditure requirements.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities and the related disclosures at the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the periods presented. Estimates are used for determining the selling prices for elements sold in multiple-element arrangements, period over which revenue is recognized for certain arrangements, estimated delivery dates for orders with title transfer upon delivery, allowance for doubtful accounts, product returns, promotional and

marketing allowances, stock-based compensation, inventory valuation, fair value of stock awards issued, useful lives of property and equipment, uncertain income tax positions, and income tax valuation allowance. To the extent there are material differences between these estimates, judgments, or assumptions and actual results, the Company's consolidated financial statements will be affected.

Revenue from Contracts with Customers

On April 1, 2020, the Company adopted the new accounting standards codification ("ASC") 606, *Revenue from Contracts with Customers*, for all open contracts and related amendments using the full retrospective method. The Company recognizes revenue in accordance with ASC 606, the core principle of which is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to receive in exchange for those goods or services. To achieve this core principle, five basic criteria must be met before revenue can be recognized:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, the Company satisfies a performance obligation.

The majority of the company's revenue is comprised of Tile hardware device sales. The Company recognizes hardware revenue in the consolidated statement of operations when it satisfies performance obligations under the terms of its contracts and upon transfer of control at a point in time when title transfer either upon shipment to or receipt by the customer as determined by the contractual shipping terms of the contract, net of accrual for estimated sales returns and allowances. The next largest stream is made up of the Company's Premium Subscription, which is a monthly subscription allowing the user to have smart alerts, unlimited sharing, location history, battery replacement, premium customer support and more. The remaining revenue streams are immaterial.

The Company offers its software under a cloud-based delivery model, where it provides access to its software on a hosted basis as a service and customers do not have the contractual right to take possession of the software. All of the Company's revenue and trade receivables are generated from contracts with customers. Revenue is recognized when control of the promised services is transferred to the Company's customers at an amount that reflects the consideration the Company expects to be entitled to in exchange for those services.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under Topic 606. The transaction price is allocated to each distinct performance obligation recognized as revenue when, or as, the performance obligation is satisfied by transferring the promised good or service to the customer. The Company identifies and tracks the performance obligations at contract inception so that the Company can monitor and account for the performance obligations over the life of the contract.

The Company's sales arrangements typically contain multiple performance obligations, consisting of the hardware sale, application usage, hardware support, and in some cases, the Premium Subscription. For arrangements with multiple performance obligations where the contracted price differs from the standalone selling price ("SSP") for any distinct good or service, the Company may be required to allocate the transaction price to each performance obligation using its best estimate for the SSP. For B2B hardware sales, the Company will estimate the expected consideration amount after credits and discounts.

The Company generally offers a limited warranty to end-users covering a period of twelve months for products and obligates the Company to repair or replace products for manufacturing defects or hardware component failures. The warranty is not sold separately and does not represent a separate performance obligation. Therefore, such warranties are accounted for under ASC 460, *Guarantees*, and the estimated costs of warranty claims are generally accrued as cost of revenue in the period the related revenue is recorded. See Note 6 – Commitments and Contingencies for further details.

Revenue from the Company's Premium Subscription continues to generally be recognized as the Company transfers control of its services to its customers (i.e. over time), which approximates the previously used revenue recognition method of accounting used by the Company. Tile's Premium Subscription contracts are recognized ratably over the subscription term. Sales of hardware device will have point-in-time with a portion of the consideration being allocated to application usage (maintenance) and support.

More judgments and estimates are required under Topic 606 than were required under Topic 605. Due to the complexity of certain contracts, the actual revenue recognition treatment required under Topic 606 for the Company's arrangements may be dependent on contract-specific terms and may vary in some instances.

Customer payment terms vary by arrangement although payments are typically due within 15—45 days of invoicing. The timing between the satisfaction of the performance obligations and the payment is not significant and the Company currently does not have any significant financing components or significant payment terms.

Remaining Performance Obligations

Remaining performance obligations represent the amount of contracted future revenue not yet recognized as the amounts relate to undelivered performance obligations, including both deferred revenue and non-cancelable contracted amounts that will be invoiced and recognized as revenue in future periods. Revenue expected to be recognized from remaining performance obligations is primarily expected to be recognized over the next twelve months.

Practical Expedients and Exemptions

There are several practical expedients and exemptions allowed under Topic 606 that impact timing of revenue recognition and the Company's disclosures. Below is a list of practical expedients the Company applied in the adoption and application of Topic 606:

- The Company does not evaluate a contract for a significant financing component if payment is expected within one year or less from the transfer of the promised items to the customer.
- The Company generally expenses sales commissions when incurred when the amortization period would have been one year or less. These costs are recorded within selling, general, and administrative in the Statement of Operations.
- The Company is permitted to recognize revenue at the amount to which it has the right to invoice for services performed if the Company's right to payment is for an amount that corresponds directly with the value provided to the customer.
- The Company was not required to restate revenue from contracts that began and were completed within the same annual reporting period. The Company did not apply this practical expedient if a contract extended between two annual reporting periods.

- For completed contracts that had variable consideration, the Company used the transaction price at the date the contract was completed rather than estimating the variable consideration amounts in the comparative reporting periods.
- For contract modifications, the Company reflected the aggregate effect of all modifications that occurred prior to the adoption date when identifying the satisfied and unsatisfied performance obligations, determining the transaction price and allocating the transaction price to satisfied and unsatisfied performance obligations for the modified contract at transition.

Deferred Revenue

Deferred revenue primarily consists of billings or payments received in advance of revenue recognition from services described above and is recognized as the revenue recognition criteria are met. 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 noncurrent.

Contract Costs

The Company has determined that the only incremental costs incurred to obtain contracts with customers within the scope of Topic 606 are sales commissions paid to its employees on hardware sales. The expected cost recovery period on sales commissions is less than one year. As a practical expedient, the incremental costs of obtaining a contract may be expensed when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

Segment Reporting

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The Company operates as one reportable and operating segment because its chief operating decision maker ("CODM"), which is its Chief Executive Officer, reviews its financial information on a consolidated basis for purposes of making decisions regarding allocating resources and assessing performance. The Company has no segment managers who are held accountable by the CODM for operations, operating results, and planning for levels of components below the consolidated unit level. The Company's long-lived assets, which are comprised of property and equipment, are based in the United States and China. All material long-lived assets are based in the United States.

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The Company sells its products and services worldwide and attributes revenue to the geography where the product was shipped to and services provided as it believes it best depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors (presented in thousands).

	Year ended March 31,			
	2021		2020	
	Hardware	Subscription and other	Hardware	Subscription and other
North America, including United States	$ 71,726	$ 9,249	$ 72,227	$ 6,049
Europe, Middle East, and Africa	7,903	1,023	7,804	761
Asia and Pacific	2,704	1,404	3,032	650
Total	$ 82,333	$ 11,676	$ 83,063	$ 7,460

Cash and Cash Equivalents

The Company considers highly liquid investments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents consist principally of demand deposits and money market funds and are held with a domestic financial institution with a high credit standing.

Restricted Cash

Restricted cash relates to cash deposits restricted under letters of credit issued on behalf of the Company in support of indebtedness to trade creditors incurred in the ordinary course of business.

Fair Value Measurements

Assets and liabilities recorded at fair value on the consolidated balance sheets are categorized based upon the level of judgment associated with inputs used to measure their fair value. The categories are as follows:

Level 1 – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs are quoted prices for similar assets or liabilities in active markets or inputs that are observable for the assets or liabilities, either directly or indirectly through market corroboration, for substantially the full term of the financial instruments.

Level 3 – Inputs are unobservable based on the Company's own assumptions used to measure assets and liabilities at fair value. The inputs require significant management judgment or estimation.

The Company's Cash and cash equivalents (including its money market funds), Accounts receivable, and Prepaid expenses and other current assets and Other liabilities as of March 31, 2021 and 2020, are equal to their carrying value due to the short-term nature of those assets and liabilities. Investments in money market funds are classified within Level 1 because they are valued using quoted market prices. The fair value for long-term debt is estimated based upon discounted future cash flows at prevailing market interest rates. Based on this, the Company believes the fair value of long-term debt approximates its carrying value as of March 31, 2021 and 2020. There were no transfers of assets and liabilities between levels in the fair value hierarchy during the years ended March 31, 2021 and 2020.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable is recorded at the invoiced amount and are non-interest-bearing. The Company evaluates the collectability of its Accounts receivable based on review of its past-due balances, known collection risks and historical experience. In circumstances where the Company is aware of a specific customer's potential inability to meet its financial obligations to the Company (e.g., bankruptcy filings or substantial downgrading of credit ratings), the Company records a specific reserve for bad debts against amounts due to reduce the net recognized receivable to the amount it reasonably believes will be collected. The Company also incurs "chargebacks" (reversal of payment) from credit card vendors for unauthorized transactions. These chargebacks and the reserve for uncollectable amounts are expensed as a bad debt expense based upon management's estimates. Bad debt expense totaled less than $0.1 million for the year ended March 31, 2021 and a benefit of $0.6 million was recognized for the year ended March 31, 2020 as a result of reversal of prior bad debt reserve. These amounts were presented as General and administrative expense. The Allowance for doubtful accounts was $0.1 million as of March 31, 2021 and 2020, respectively.

Inventory and Contract Manufacturing

Inventory is stated at the lower of cost or net realizable value. Cost is computed on a weighted average basis. The determination of market value requires the use of numerous judgments including estimated average selling prices based upon recent sales volumes, industry trends, existing customer orders and current contract prices. These estimates are dependent on the Company's assessment of current and expected orders from its customers. The Company evaluates its ending inventories for excess quantities and obsolescence primarily based on forecasted demand within specific time horizons and technological obsolescence. The estimate for excess and obsolete inventory is recorded to Cost of revenue when identified.

The Company outsources all of its manufacturing to independent contract manufacturers in China. A significant portion of its Cost of revenue consists of inventory purchased from these manufacturers. The Company's manufacturers procure components and manufacture the Company's products based on the demand forecasts provided. These forecasts are based on estimates of future demand for the Company's products, which are in turn based on historical trends and an analysis from the Company's sales and marketing organizations, adjusted for overall market conditions. Shipments of inventory from the contract manufacturer are recorded as finished goods inventory upon shipment when title and the significant risks and rewards of ownership have passed to the Company.

Property and Equipment, Net

Property and equipment are stated at cost less accumulated depreciation and amortization. Property and equipment are depreciated for financial reporting purposes using the straight-line method over the estimated useful lives of the assets, which are between one and five years. Amortization of leasehold improvements is computed using the shorter of the estimated useful life or the remaining lease term. Maintenance and repairs that do not extend the life or improve the asset are expensed in the year incurred.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of these assets is measured by a comparison of the carrying amounts to the future undiscounted cash flows the assets are expected to generate. If Property and equipment are considered to be impaired, the impairment to be recognized equals the amount by which the carrying value of the asset exceeds its fair value. No impairment to any long-lived assets has been recorded in any of the periods presented.

Website and Mobile Application Development Costs

The Company evaluates the costs to develop its website and mobile application to determine whether the costs meet the criteria for capitalization. Costs related primarily to project activities and post implementation activities are expensed as incurred. As of March 31, 2021, and 2020, the Company had not capitalized any costs related to the development of its website or mobile application.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of trade accounts receivable.

The Company performs ongoing credit evaluations of its customers to assess the probability of accounts receivable collection based on several factors, including past transaction experience with the customer, evaluation of their credit history, and review of the invoicing terms of the contract. The Company generally does not require collateral. The Company maintains reserves for potential credit losses on customer accounts when deemed necessary. In FY 2021, the Company secured a policy to insure 90% of the accounts receivable balance to mitigate losses.

As of March 31, 2021, the Company had three customers that accounted for 54%, 14%, and 11% of total accounts receivable. As of March 31, 2020, the Company had four customers that accounted for 22%, 17%, 14% and 12% of total accounts receivable. No other customer accounted for more than 10% of accounts receivable as of March 31, 2021 and 2020.

Customer Concentration

During the year ended March 31, 2021, the Company had one customer that accounted for 59% of revenue. For the year ended March 31, 2020, the Company had one customer that accounted for 45% of revenue. No other customers accounted for more than 10% of net revenues for the years ended March 31, 2021 and 2020.

Cost of Revenue

Cost of revenue for hardware consists of raw materials costs and associated freight, contract manufacture costs, overhead and other direct costs related to those sales recognized as product revenue in the period. Period costs include logistics costs, manufacturing ramp-up costs, personnel costs, warranty obligations and stock-based compensation. Provision costs consist of adjustments for inventory obsolescence and to reflect the lower of cost or net realizable value. Both period and provision costs are recognized in the period in which they are incurred.

Cost of revenue for subscriptions includes hosting, payment processor fees, allocated overhead costs, and customer support service costs.

Deferred Revenue and Deferred Cost of Revenue

Deferred revenue includes two components: 1) customer payments for sales orders that have yet to be delivered; and 2) sales orders pending completion of services (i.e., Application and server connectivity or remaining Premium subscription term). Current Deferred revenue relating to these items was $8.9 million and $7.2 million as of March 31, 2021 and 2020, respectively. The non-current portion of Deferred revenue was $0.6 million and $1.2 million as of March 31, 2021 and 2020, respectively. Deferred costs are recognized as cost of revenues in the same period that the related revenues are recognized.

Research and Development Costs

Research and development costs include labor and material costs of building and developing prototypes for new products, as well as design and engineering costs. Such costs are charged to Research and development expense as incurred.

Advertising Expenses

Advertising costs consist of costs associated with print, television and e-commerce media advertisements and are expensed as incurred. Total advertising expenses incurred were $7.3 million and $11.9 million for the years ended March 31, 2021 and 2020, respectively, and presented in Sales and marketing expense.

Stock-Based Compensation

Stock-based compensation granted to employees, including grants of employee stock options, are recognized in the statements of operations based on their fair values. The Company recognizes stock-based compensation on a straight-line basis using the single-option attribution method over the service period of the award, which is

generally four years, net of actual forfeitures. The Company estimates the fair value of employee stock options using the Black-Scholes valuation model. The determination of the fair value of a stock-based award is affected by the deemed fair value of the underlying stock price on the grant date, as well as other assumptions including the risk-free interest rate, the estimated volatility of the Company's stock price over the term of the awards, the estimated period of time that the Company expects employees to hold their stock options, and the expected dividend rate.

Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for temporary differences between the consolidated financial statement and tax basis of assets and liabilities using the enacted tax rates in effect for the years in which the differences are expected to reverse. The effect on deferred taxes of a change in income tax rates is recognized in the statements of operations in the period that includes the enactment date. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts that are more likely than not to be recognized.

The Company recognizes tax benefits from uncertain tax positions only if it believes that it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement.

Net Loss per Share

Basic net loss per share is calculated by dividing net loss by the weighted-average number of common shares outstanding during the period, without consideration of common stock equivalents. Diluted net loss per share is computed by dividing net loss by the weighted-average number of common share equivalents outstanding for the period determined using the treasury stock method. Potentially dilutive securities, consisting of preferred stock, options to purchase common stock, common stock warrants, and restricted stock units are considered to be common stock equivalents and were excluded from the calculation of diluted net loss per share because their effect would be antidilutive for all periods presented.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606), which superseded nearly all existing revenue recognition guidance. Under ASU 2014-09, an entity is required to recognize revenue upon transfer of promised goods or services to customers in an amount that reflects the expected consideration received in exchange for those goods or services. ASU No. 2014-09 defines a five-step process in order to achieve this core principle, which may require the use of judgment and estimates, and also requires expanded qualitative and quantitative disclosures related to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers, including significant judgments and estimates used. The Company may adopt ASU No. 2014-09 either by using (i) a full retrospective approach for all periods presented in the period of adoption or (ii) a modified retrospective approach with the cumulative effect of initially applying ASU No. 2014-09 recognized at the date of initial application and providing certain additional disclosures. Initially, ASU No. 2014-09 was effective for private companies for annual reporting periods beginning after December 15, 2018. In May 2020, the FASB voted to allow nonpublic entities that have not adopted Topic 606 to defer the adoption by an additional year. The Company adopted this new accounting standard and the related amendments on April 1, 2020 using the full retrospective method. See Note 2 – Revenue from Contracts with Customers for further details.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). This standard introduces the new leases standard that applies a right-of-use ("ROU") model and requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset and a liability to make lease payments. For leases with a term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize an ROU asset or lease liability. At inception, lessees must classify all leases as either finance or operating based on five criteria. Balance sheet recognition of finance and operating leases is similar, but the pattern of expense recognition in the income statement, as well as the effect on the statement of cash flows, differs depending on the lease classification. Initially, this ASU was effective for fiscal years beginning after December 15, 2019, with early adoption permitted. In May 2020, the FASB voted to defer the effective date of Topic 842 for nonpublic business entities for an additional year. The standard will be effective for the Company for fiscal year ended March 31, 2022, and the Company is evaluating the impact of the adoption of Topic 842 on its consolidated financial statements. At a minimum, the Company expects that material leases will be reported on the consolidated balance sheets.

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments," and has since released various amendments including ASU No. 2019-10. The guidance modifies the measurement of expected credit losses on certain financial instruments. This standard will be effective for the Company for fiscal year ending March 31, 2024. Early adoption is permitted. The Company is currently assessing the impact of the guidance on it consolidated financial statements and disclosures.

In June 2018, the FASB issued ASU No. 2018-07, "Compensation—Stock Compensation (Topic 718): Improvements to Non-employee Share-Based Payment Accounting." The updated guidance simplifies the accounting for non-employee share-based payment transactions. The amendments in the new guidance specify that Topic 718 applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in a grantor's own operations by issuing share-based payment awards. The Company adopted this new standard as of April 1, 2020 and the impact was immaterial to the Company's consolidated financial statements.

In July 2018, the FASB issued ASU No. 2018-09, "Codification Improvements", which clarifies, corrects errors in and makes improvements to several topics in the FASB Accounting Standard Codification. The transition and effective date guidance is based on the facts and circumstances of each amendment. Some of the amendments do not require transition guidance and were effective upon issuance of the ASU. This ASU is effective for the Company for its fiscal year ended March 31, 2021. The Company adopted this new standard as of April 1, 2020 and the impact was immaterial to the Company's consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-15, "Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract". This standard requires a customer in a hosting arrangement that is a service contract to capitalize certain implementation costs as if the arrangement was an internal-use software project, which requires capitalization of certain costs incurred only during the application development stage and costs to be expensed during the preliminary project and post-implementation stage. This ASU is effective for the Company beginning in its fiscal year ended March 31, 2022. The Company is currently assessing the potential impact of the new standard on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, "Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820)". ASU 2018-13 modifies the disclosure requirements for fair value measurements by removing, modifying, or adding certain disclosures. The ASU is effective for the

Company beginning in its fiscal year ended March 31, 2021. The Company adopted this new standard as of April 1, 2020 and the impact was immaterial to the Company's consolidated financial statements.

In December 2019, the FASB issued ASU No. 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes ("ASU 2019-12"). The guidance eliminates certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period, and the recognition of deferred tax liabilities for outside basis differences related to changes in ownership of equity method investments and foreign subsidiaries. The guidance also simplifies aspects of accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. ASU 2019-12 is effective for public business entities for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years and December 15, 2021 for all other entities. Early adoption is permitted, including adoption in any interim period for which financial statements have not been issued. The Company will not adopt ASU No. 2019-12 until fiscal year ended on March 31, 2022. The Company is currently assessing the potential impact of the new standard on the Company's consolidated financial statements.

We do not believe that any other recently issued, but not yet effective accounting standards, if adopted, would have a material impact on our consolidated financial statements.

3. Prepaid expenses and other current assets

Prepaid expenses and other current assets consist of the following (in thousands):

	March 31,	
	2021	2020
Prepaid tariffs	$ 120	$3,249
Other current assets	2,547	1,686
Total prepaid expenses and other current assets	$2,667	$4,935

4. Property and Equipment, Net

Property and equipment, net consist of the following (in thousands):

	March 31,		
	2021	2020	Estimated Useful Life
Computer and computer software	$ 601	$ 1,115	2 to 5 years
Manufacturing equipment	42	6,003	1.5 years
Furniture and fixtures	9	742	5 years
Leasehold Improvements	86	86	Shorter of lease term or useful life
Total property and equipment	$ 738	$ 7,946	
Accumulated depreciation	(331)	(6,997)	
Property and equipment, net	$ 407	$ 949	

Depreciation expense was $0.7 million and $1.1 million for the years ended March 31, 2021 and 2020, respectively.

5. Intangibles and Other Assets, net

During the year ended March 31, 2018, the Company acquired a domain name for cash and shares of the Company's common stock. The domain name is amortized over its useful life of five years. The gross carrying amount of the intangible asset was $1.1 million, and accumulated amortization was $0.7 million and $0.5 million, for the years ended March 31, 2021 and 2020, respectively. Amortization expense was $0.2 million for both years ended March 31, 2021 and 2020.

The approximate future amortization expense of intangible assets at March 31, 2021 is as follows (in thousands):

	Amount
FY 2022	$ 215
FY 2023	107
FY 2024	—
FY 2025	—
FY 2026	—
Thereafter	—
Total	$ 322

6. Commitments and Contingencies

Purchase Commitments

The Company had no non-cancelable outstanding purchase orders of finished goods to be delivered by its contract manufacturer as of March 31, 2021 or 2020, respectively.

Operating Lease

The Company's primary operating lease commitment is related to its headquarters in San Mateo, California, and requires monthly lease payments through September 30, 2022.

Rent expense for all facility leases was $0.9 million and $0.7 million for the years ended March 31, 2021 and 2020, respectively.

The approximate future minimum lease commitment under the non-cancelable operating leases at March 31, 2021 is as follows (in thousands):

	Amount
FY 2022	$ 447
FY 2023	—
FY 2024	—
FY 2025	—
FY 2026	—
Thereafter	—
Total	$ 447

Litigation

On March 12, 2019, a former competitor of Tile, Cellwitch, Inc, filed a patent infringement claim against the Company in the US District Court, Northern District of California ("Court"). On May 2, 2019, the Company filed

a motion to dismiss the case. The plaintiff amended its complaint on May 16, 2019, and the Company filed a renewed motion to dismiss the amended complaint on May 30, 2019. On November 21, 2019, the Court issued an order denying Tile's motion to dismiss the case but finding the underlying patent to be directed to an abstract idea. On December 5, 2019, Tile filed an inter partes review petition challenging the validity of the patent. On December 24, 2019, Tile filed a motion to stay pending the review of the patent. On January 17, 2020, the Court granted Tile's motion to stay and ordered the parties to file a joint status report on June 30, 2020. This case is still currently stayed pending full resolution of Tile's inter partes' review petition, now currently on appeal.

Separately, another former competitor of Tile, Linquet Technologies, also sued Tile for patent infringement. In mid-September 2021, the Court dismissed Linquet Technologies' complaint in its entirety with leave to amend, although stating that given the patent at issue the Court did not believe they could state a valid claim. Linquet filed their amended complaint on October 8, 2021. The Company moved to dismiss the claim on October 22, 2021.

The Company is unable to predict the outcome of the above matters or estimate the range of possible loss, if any. Although the proceedings are subject to uncertainties inherent in the litigation process and the ultimate disposition of these proceedings is not presently determinable, the Company intends to vigorously defend the matters

Warranties

The Company's products are generally warranted to be free from material defects with a battery life of 12 months. Customers may purchase an extended warranty for devices with replaceable batteries for 36 months. As of March 31, 2021 and 2020, the Company's product warranty expense has not been material.

7. Accrued liabilities

Accrued liabilities consist of the following (in thousands):

	March 31,	
	2021	2020
Customer related promotions and discounts	$ 3,720	$ 4,425
Payroll and related expenses	4,457	1,201
Other expenses	2,328	3,642
Product warranty	1,804	1,995
Total accrued liabilities	$ 12,309	$ 11,263

8. Debt Facility

Line of Credit

In May 2015, the Company entered into a Loan and Security agreement with Silicon Valley Bank for a working capital line of credit and a term loan facility. The agreement has been reviewed and amended as needed each year.

In August 2018, the Company amended its working capital line of credit to extend the maturity date based upon achievement of extension milestones, which are determined based on proceeds received in a qualified financing or subordinated debt of at least $5.0 million and contingent upon the Company being in compliance with the

financial covenants including (1) maintaining a minimum current ratio as defined in the agreement and (2) achieve minimum gross profit targets in each fiscal year. The amendment also amended the interest rate to be equal to the prime rate plus 2.0%.

At March 31, 2019, the Company was in violation of its debt agreement with Silicon Valley Bank for the periods of January, February, and March 2019. In May 2019, Silicon Valley Bank agreed to waive its right to call the debt as a result of that violation. Also, in May 2019, the Company paid off the line of credit balance of $13.2 million.

$10.0 million and $11.2 million was available to the Company under the term loan based on eligible inventory and accounts receivable as of March 31, 2021 and March 31, 2020, respectively. No amounts have been drawn under the term loan.

Term Loan

In July 2017, the Company signed a Mezzanine Loan and Security Agreement ("Mezzanine Loan") with Silicon Valley Bank that made available a new term loan available in two tranches. The first tranche of $5.0 million was available upon execution. Borrowing against the second tranche of $10.0 million was available based on 80% of eligible inventory that remains after considering eligible inventory applied towards other borrowings. The interest rate was based on prime rate plus 4.5% and includes an annual commitment fee of $0.2 million. The Mezzanine Loan is collateralized by substantially all of the Company's assets and there are non-financial covenants and no required financial covenants. The Company used cash on hand and the proceeds from the Mezzanine Loan to pay down the remaining balance on its previous term loan. In connection with the Mezzanine Loan and Security Agreement, the Company issued the lender and two other parties warrants to purchase a total of 78,210 shares of the Company's Common Stock with an exercise price of $0.98 per share and a determined fair value at issuance of $0.1 million. The Company initially recorded the fair value of the warrants as deferred financing costs and amortized as interest expense over the term of the loan.

In August 2018, the Company amended its Mezzanine Loan and Security Agreement with Silicon Valley Bank. The amendment called for monthly payments of $0.3 million plus accrued interest until the term loan maturity date of February 11, 2019, with provisions allowing for the extension of the maturity date, which the Company extended through August 2019. The interest rate was unchanged by the amendment. This amendment also amends the previously issued warrants and issued new warrants, allowing the warrant holders to purchase 447,111 additional shares of the Company's Common Stock with an exercise price of $0.98 per share and a determined fair value at issuance of $0.3 million. The Company initially recorded the fair value of the warrants as deferred financing costs and amortized as interest expense over the term of the loan.

In May and June of 2019, the Company issued convertible promissory notes to six lenders for a collective total of $4.6 million in principal, an annual interest rate of 5.0%, and a maturity date of September 30, 2019. The notes contained four provisions for conversion or redemption of the principal and any unpaid interest into equity securities. Three of these features were contingent on certain events occurring prior to the maturity date, namely additional financing or a change of control. The fourth feature stipulated for conversion upon the maturity date. In July 2019, the $4.6 million notes were converted, and the Company issued Series C-1 at an issuance price of $3.404 per share which represents a 10% discount of the issuance price paid by new investors in that same round. The Company, however, accounted for the share settlement as a debt extinguishment rather than a conversion. As a result, the conversion share price at the time of conversion, meaning the reacquisition price, is the fair value of the shares issued. Due to the discount offered to note holders at conversion, there was a difference of $0.5 million between the fair value amount of the preferred shares and the carrying amount of the debt at conversion. The

Company recorded this difference as a Loss on Extinguishment. The Company credited the carrying value of the notes to the respective temporary equity accounts presented outside of permanent equity in the mezzanine section of the consolidated balance sheets, effectively removing the full convertible note through the variable issuance of preferred shares with the difference going to Loss on Extinguishment. See Note 10 for further information about the accounting for preferred stock.

In May 2019, the Company entered into a Loan and Security Agreement with Pinnacle Ventures and issued term loans for an aggregate principal of $17.5 million, where $13.2 million was used to replace the Company's existing line of credit with Silicon Valley Bank. The interest rate for the payments not including the final payment of the loan is the greater of the prime rate based on the federal funds rate determined on each date 15 days before the applicable payment date plus 500 basis points, or 10.5% per annum. The final payment interest rate will be the greater of the prime rate determined as of 15 days before the date of the final payment plus 300 basis points and 8.5%. The loan is collateralized by substantially all assets of the Company and contains financial and non-financial covenants with the loan maturing in May 2023. The Company is currently in compliance with all debt covenants. In addition, the Company assessed the loan to determine if there are any derivatives embedded which require bifurcation and separate accounting. The Company determined the feature of a mandatory prepayment of the loan on change of control or IPO meets the definition of an embedded feature requiring bifurcation. However, Management has determined that there are no plans on doing an IPO and ascribed no value to the embedded feature. Management will reassess on an annual basis if the embedded feature needs an allocation. In connection with the Loan and Security Agreement, the Company issued the lender warrants to purchase a total of $0.6 million worth of shares of the Company's common stock. The exercise price of the warrants is the lesser of (i) $0.95 and (ii) the value of the Company's common stock as determined by the next 409A valuation that is completed after May 24, 2019 and prior to the exercise of any portion of the warrants. The Company analyzed the warrants and determined the warrants were detachable and classified as liabilities and measured at fair value on a recurring basis. The Company initially recorded the fair value of the warrants as deferred financing costs and amortized as interest expense over the term of the loan.

Paycheck Protection Program ("PPP") Loan

On April 30, 2020, the Company received loan proceeds in the amount of approximately $2.5 million under the Paycheck Protection Program ("PPP") Division A, Title I of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), which was enacted March 27, 2020. The PPP, established as part of the CARES Act, provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Company used the proceeds for purposes consistent with the PPP. While the Company currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, we cannot assure the Company will not take actions that could cause the Company to be ineligible for forgiveness of the loan, in whole or in part.

Long-term debt consists of the following as of March 31 (in thousands):

	March 31, 2021	March 31, 2020
Long-term debt	$21,494	$18,988
Less: unamortized deferred financing costs	(1.189)	(1,851)
Total debt, net of unamortized deferred issuance costs	20,305	17,137
Less: current portion of long-term debt, net	(6,850)	—
Long-term debt, net	$13,455	$17,137

The Company amortizes its deferred financing costs related to the long-term debt over the life of the loan as a reduction in the total value of the debt.

9. Share-based Compensation Plans and Awards

Common Stock

Shares of common stock reserved for future issuance, on an as-if converted basis, were as follows (in thousands):

	March 31, 2021	March 31, 2020
Outstanding stock options	9,447	9,934
Stock options available for future grant	2,447	2,054
Warrants—Common Stock	1,143	1,143
Restricted stock units	5,288	5,288
Convertible preferred stock	36,715	36,535
Total common stock reserved for future issuance	55,040	54,954

2013 Stock Option Plan

In 2013, the Board of Directors approved the 2013 Stock Plan (the Plan), which provides for the granting of incentive and nonstatutory stock options and stock purchase rights to employees, directors, and consultants. Under the Plan, the Board of Directors (the Plan Administrator) determines various terms and conditions of option grants, including option expiration dates (generally ten years from the date of grant), vesting terms (generally over a four-year period, with 25% vesting at the end of the first year and the balance vesting ratably on a monthly basis over the remaining period), and payment terms. The Plan provides for stock option grants at an exercise price as determined by the Plan Administrator, but in the case of incentive stock options, no less than 100% of the fair market value of the common stock subject to the option on the date of grant as determined by the Board of Directors and not less than 85% of fair market value for nonstatutory stock options. Options granted to owners of 10% or more of the Company's common stock have an exercise price no less than 110% of the fair market value of the common stock on the date of grant as determined by the Board of Directors.

The Plan allows for early exercise of options prior to vesting with Board approval. In connection with the early exercise of stock options, the Company has the right, but not the obligation, to repurchase unvested shares of common stock upon termination of the individual's service to the Company at the original purchase price per share.

A summary of employee and non-employee activities under the Plan for the years ended March 31, 2021 and 2020, is as follows (amounts in thousands, except per share amounts):

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	Number of Shares	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Life	Aggregate intrinsic value (in thousands)
Balance at March 31, 2019	7,166	$ 1.03	8.7	$ 367
Options authorized	—	—		
Options granted	3,977	0.95		
Options exercised	(179)	0.70		
Options canceled	(1,030)	2.20		
Balance at March 31, 2020	9,934	$ 1.00	8.3	$ 174
Options authorized	—	—		
Options granted	1,933	0.45		
Options exercised	(93)	0.71		
Options canceled	(2,327)	1.56		
Balance at March 31, 2021	**9,447**	**$ 0.49**	**7.3**	**$ 52**

	Number of Shares	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Term (Years)	Aggregate intrinsic value (in thousands)
Employee	5,260	0.52	6.4	13
Non-employee	232	0.31	4.3	40
Options exercisable at March 31, 2021	**5,492**	**$ 0.52**	**6.3**	**$ 53**

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The total intrinsic value of options exercised, and the total intrinsic value of options vested for the years ending March 31, 2021 and 2020 were not significant.

Valuation of Awards

The fair value of options granted to each employee during the years ended March 31, 2020 and 2021, was estimated using the Black-Scholes option-pricing model with the following assumptions:

	Year Ended March 31,	
	2021	2020
Expected dividend yield	—	—
Expected life (years)	5.82 – 6.06	5.63 – 6.30
Risk-free interest rate	0.37 – 0.66	1.48 – 2.29
Expected volatility	60% - 62%	51%

The weighted-average estimated grant-date fair value of employee stock options granted during the years ended March 31, 2021 and 2020, was $0.45 and $0.95 per share, respectively.

The Company has generally obtained contemporaneous valuation analyses prepared by an unrelated third-party valuation firm in order to assist the Company's Board of Directors in determining the fair value of the Company's common stock and related exercise prices of option awards on the date such awards were granted. The Company has also used these contemporaneous third-party valuations for purposes of determining the fair value of the Company's share-based payment awards and the related stock-based compensation expense.

The Company currently has no history or expectation of paying cash dividends on its common stock. The Company estimates the volatility of its common stock at the date of grant based on the historical and implied

volatility of the stock prices of a peer group of publicly traded companies for a period equal to the expected life of its stock options. The risk-free interest rate is based on the U.S. Treasury yield for a term consistent with the expected term of the awards in effect at the time of grant. The expected term represents the weighted-average period the stock options are expected to remain outstanding. The expected term was determined using the simplified approach based on the vesting terms and contractual life of the options.

Stock-based compensation expense was as follows (amounts in thousands):

	Year Ended March 31,	
	2021	2020
Cost of revenue	$ 129	$ 86
Research and development	598	412
Sales and marketing	292	293
General and administrative	256	297
Total	$ 1,275	$ 1,088

As of March 31, 2021, there was $1.5 million of total unrecognized compensation costs related to non-vested stock options, which is expected to be recognized over a weighted-average period of 1.19 years.

Non-employee Awards

During the years ended March 31, 2021 and 2020, the Company issued 20,000 and 99,904 stock options, respectively, exercisable into its common stock to consultants in exchange for services rendered. These options were revalued at each reporting date using the Black-Scholes option pricing model with the same assumptions as those used for employee awards with the exception of expected term. The expected term for non-employee awards is the contractual term of 10 years.

Restricted Stock Units

The Company did not grant any Restricted Stock Units ("RSUs") during the year ended March 31, 2021. During the year ended March 31, 2020, the Company granted 376,483 RSUs with a grant date fair value of $0.95. The awards were granted to employees of the Company and include both a service-based vesting condition and a Performance Vesting Condition. The service-based vesting period for this award is four years, beginning with a cliff vesting period of one year and continuing to vest quarterly thereafter. The Performance Vesting Condition is satisfied on the earlier of (i) an acquisition or change in control of the Company; (ii) 180 days after an initial public offering "IPO" by the Company or; (iii) March 15 of the calendar year following the year in which the Company's IPO is declared effective. As of March 31, 2021 and 2020, all compensation expense related to RSUs remained unrecognized because the Performance Vesting Condition was not satisfied. At the time the Performance Vesting Condition becomes probable, the Company will recognize the cumulative stock-based compensation expense for the RSUs that have met their service-based vesting condition using the accelerated attribution method.

10. Redeemable Convertible Preferred Stock

On July 11, 2019, the Company entered into the Series C Preferred Stock financing agreement with Francisco Partners Agility, L.P. providing for the issuance of 10,575,855 shares of Series C Preferred stock at $3.7822 per share. In addition, the $4.6 million principal amount and accrued interest of the 2019 Convertible Promissory Notes were converted into Company issued Series C-1 at a conversion price of $3.404 per share.

The following is a schedule of authorized, issued, and outstanding shares, amounts and aggregate liquidation preferences of Preferred Stock as of March 31, 2021 and 2020 (in thousands, except per share data):

	Shares Authorized	Conversion Price per Share	Shares Issued and Outstanding	Aggregated Liquidation Preference	Carrying Value
Series A	10,720	$ 1.99	10,720	$ 21,302	$ 21,180
Series B	5,268	3.42	5,268	18,000	17,823
Series B-l	8,117	4.19	8,117	34,003	33,838
Series C Preferred Stock	15,864	3.78	11,065	41,852	41,562
Series C-l Preferred Stock	1,364	3.40	1,364	4,643	5,161

The Company's Preferred Stock is not mandatorily redeemable. Certain of the rights, privileges and restrictions granted to and imposed on the Series A, B, B-1, C, and C-1 Preferred Stock are summarized as follows:

Voting Rights – On any matter presented to the stockholders, each holder of outstanding shares of Preferred Stock has the right to cast the number of votes equal to the number of whole shares of common stock into which the shares of Preferred Stock are convertible.

Dividends – The Company shall not pay or set aside any dividends on shares of its common stock (other than dividends on shares of common stock payable in shares of common stock) in any calendar year unless the holders of the Preferred Stock then outstanding shall first receive a dividend equal to 6% of the original issue price per share (or approximately $0.12 per share for Series A Preferred Stock, approximately $0.21 per share for Series B Preferred Stock , approximately $0.25 per share for Series B-1 Preferred Stock, approximately $0.23 per share for Series C Preferred Stock and approximately $0.20 per share for Series C-1 Preferred Stock). The foregoing dividends shall not be cumulative and shall be paid when, as and if declared by the Company's Board of Directors. In the case of Series A, B, B-1, C and C-1 Preferred Stock, the original issue price shall mean $1.987, $3.417, $4.189, $3.7822, and $3.4040 per share, respectively, subject to appropriate adjustment in the event of any stock splits and combinations of shares and for dividends paid on each such series of the Preferred Stock in shares of such stock.

If, after dividends in the full preferential amount for the Preferred Stock that have been paid or set apart for payment in any calendar year, the Company's Board of Directors declares additional dividends out of funds legally available in that calendar year, then such additional dividends shall be declared pro rata on the common stock and the Preferred Stock on a pari passu basis according to the number of shares of common stock held by such holders. For this purpose, each holder of shares of Preferred Stock shall be treated as holding the number of shares of common stock then issuable upon conversion of all shares of Preferred Stock.

Liquidation Preference – In the event of a voluntary or involuntary liquidation, dissolution or winding up of the Company, before any payment shall be made to the holders of common stock, Series A, B and B-1 Preferred Stock, on a pari passu basis, the holders of Series C and C-1 Preferred Stock (together, the "Senior Preferred Stock") shall be entitled to be paid out of the funds and assets available for distribution to its stockholders, an amount per share equal to the greater of (a) the Original Issue Price for such series of Senior Preferred Stock, plus any dividends declared but unpaid thereon, or (b) such amount per share as would have been payable had all shares of such series of Senior Preferred Stock been converted into Common Stock immediately prior to such liquidation, dissolution, or winding up. If the funds and assets available for distribution to the stockholders shall be insufficient to pay the holders of shares of Senior Preferred Stock the full amounts to which they are entitled, the holders shall share ratably in any distribution of the funds and assets available for distribution in proportion to the respective amounts that would otherwise be payable.

After the payment of all preferential amounts required to be paid to the holders of shares of Senior Preferred Stock, and before any payment shall be paid to the holders of common stock, on a pari passu basis, the holders of shares of Series A, B, and B-1 Preferred Stock (together, the "Junior Preferred Stock") shall be entitled to be paid out of the funds and assets of the funds and assets available for distribution to its stockholders, an amount per share equal to the greater of (a) the Original Issue Price for such series of Junior Preferred Stock, plus any dividends declared but unpaid thereon, or (b) such amount per share as would have been payable had all shares of such series of Junior Preferred Stock been converted into Common Stock immediately prior to such liquidation, dissolution, or winding up. If the funds and assets available for distribution to the stockholders shall be insufficient to pay the holders of shares of Junior Preferred Stock the full amounts to which they are entitled, the holders shall share ratably in any distribution of the funds and assets available for distribution in proportion to the respective amounts that would otherwise be payable. After the payment of all preferential amounts required to be paid to the holders of shares of Preferred Stock, the remaining funds and assets available for distribution to the stockholders shall be distributed pro rata among the holders of Common Stock.

Conversion Rights – Each share of Preferred Stock shall be convertible, at the option of the holder, at any time, and without the payment of additional consideration, into such number of fully paid and nonassessable shares of Common Stock. The conversion price is determined by dividing the original issue price by the applicable conversion price for such series of Preferred Stock, adjusted for any anti-dilution adjustment. As of March 31, 2021, the Company's Preferred Stock is convertible into the Company's shares of common stock on a one-for-one basis.

Shares of Preferred Stock shall automatically be converted into shares of common stock at the then effective conversion rate for such share, upon earlier to occur of: (a) the closing of the sale of shares of the Company's common stock to the public in a firm-commitment underwritten public offering pursuant to an effective registration statement resulting in at least $50.0 million of gross proceeds or (b) (i) with respect to the Series C and C-1 Preferred Stock, the date and time, or the occurrence of an event, specified by vote or written consent of the holders of at least a majority of the outstanding shares of Series C and C-1 Preferred Stock, voting together as a single class on an as-converted basis, and (ii) with respect to the Series A, B and B-1 Preferred Stock, the date and time, or the occurrence of an event, specified by vote or written consent of the holders of at least a majority of the outstanding shares of Series A, B and B-1 Preferred Stock , voting together as a single class on an as-converted basis.

Redemption and Balance Sheet Classification – While the Preferred Stock does not have mandatory redemptions provisions, the deemed liquidation preference provisions of the Preferred Stock are considered contingent redemption provisions that are not solely within the Company's control. These elements primarily relate to deemed liquidation events such as change of control. Accordingly, the Company's Preferred Stock has been presented outside of permanent equity in the mezzanine section of the consolidated balance sheets.

11. Income Taxes

The domestic pre-tax book loss for the years ended March 31, 2021 and March 31, 2020 are as follows (in thousands):

	March 31,	
	2021	2020
Domestic	$(7,101)	$(21,754)
Foreign	—	—
Loss before income tax (benefit) / expense	$(7,101)	$(21,754)

The components of income tax (benefit) / expense for the year ended March 31, 2021 and March 31, 2020 are as follows (in thousands):

	March 31, 2021	March 31, 2020
Current:		
Federal	$ —	$—
State	(20)	24
Foreign	(44)	45
Total current income tax (benefit) / expense	$(64)	$ 69
Deferred:		
Federal	—	—
State	—	—
Foreign	—	—
Total deferred income taxes	$ —	$—
Total income tax (benefit) / expense	$ (64)	$ 69

The Company had an effective tax rate of 0.90% for the year ended March 31, 2021 and (0.31)% for the year ended March 31, 2020. The effective tax rate is lower than the federal statutory rate largely due to a valuation allowance on U.S. losses. The tax expense for the year ended March 31, 2021 is primarily related to the Texas margin tax.

The tax effects of temporary differences and related deferred tax assets and liabilities as of March 31, 2021 and March 31, 2020 are presented as follows (in thousands):

	March 31, 2021	March 31, 2020
Deferred tax assets:		
Net operating loss carryforward	$ 22,788	$ 19,917
Research and development and minimum credits	3	3
Depreciation and amortization	(66)	369
Reserves and accruals	3,220	3,953
Gross deferred tax assets	25,945	24,242
Valuation allowance	(25,945)	(24,242)
Net deferred tax assets	—	—
Total deferred tax liabilities	—	—
Net deferred tax assets	$ —	$ —

In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. As a result, it has established a full valuation allowance against its deferred tax assets to the extent they are not offset by liabilities from uncertain tax positions based on the Company's history of losses. The valuation allowance increased by $1.7 million at March 31, 2021 and $4.5 million at March 31, 2020.

As of March 31, 2021, the Company had net operating loss carryforwards of approximately $97.7 million for federal income taxes and $34.1 million for state income taxes. If not utilized, these carryforwards will begin

expiring in fiscal year 2033 for federal and state tax purposes. Federal NOLs generated after March 31, 2018 have an indefinite carryforward period subject to 80% deduction limitation based upon pre-NOL deduction taxable income.

In addition, as of March 31, 2021, the Company also had research and development credit carryforwards of approximately $4.9 million for federal tax purposes and $4.4 million for state tax purposes. The federal research and development tax credit carryforwards will begin expiring in 2036 if not utilized. The state research and development tax credit carryforwards do not expire.

Utilization of the net operating loss carryforwards and credits may be subject to substantial annual limitation due to the ownership change limitations provided by Section 382 of the Internal Revenue Code of 1986, as amended, and similar state provisions. The annual limitation may result in the expiration of the net operating losses and credits before utilization.

The Company records liabilities related to its uncertain tax positions. The Company recognizes the tax benefits from an uncertain tax position only if it is more likely than not that the position is sustainable by the taxing authority, based on technical merits. The Company has recorded liabilities relating to these positions of approximately $9.3 million as of March 31, 2021. The Company's policy is to classify interest and penalties associated with uncertain tax positions, if any, as a component of its income tax provision. Interest and penalties were not material during the year ended March 31, 2021.

The Company's uncertain tax positions stem from U.S. Federal and California research and development ("R&D") tax credits. As of March 31, 2021, Tile continues to record a historical 100% reserve on U.S. and California R&D tax credits. Tile's unrecognized tax benefit at March 31, 2021 year end is $9.3 million, which represents an increase of $1.9 million relative to the uncertain tax benefit at March 31, 2020 of $7.4 million. The change in the uncertain tax benefit relates to the increased Federal and California R&D credits generated.

A reconciliation of the gross unrecognized tax benefits is as follows (in thousands):

	March 31,	
	2021	2020
Gross amount of unrecognized tax benefits as of the beginning of the period	$7,413	$5,649
Increases related to prior year tax positions	—	—
Decrease related to prior year tax positions	—	—
Increase related to current year tax positions	1,921	1,764
Gross amount of unrecognized tax benefits as of the end of the period	$9,334	$7,413

The Company files tax returns in the United States for Federal, California, and other states. All tax years remain open to examination for both federal and state purposes as a result of our net operating losses and carryforwards.

12. Subsequent Events

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The Company has evaluated subsequent events through November 11, 2021, the date at which the consolidated financial statements were available to be issued.

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On June 10, 2021, the U.S. Small Business Administration completed its review of the Company's PPP Loan and has agreed with the recommendation to forgive the entire PPP loan of $2,506,100.

On September 8, 2021, the Company settled a loan in the amount of $17,925,943 with Pinnacle Ventures, LLC.

On September 9, 2021, the Company entered into a secured term loan with Capital IP Investment Partners, LLC in an aggregate principal amount $40 million with a maturity date of September 9, 2026. The term loan consists of two terms: Term A with an aggregate principal of $33 million, and Term B will be $7 million. The Loans shall bear interest on the outstanding principal amount thereof from the Closing Date (or, in the case of the Term B Loans, from the Term B Funding Date), for any Interest Period, at a rate per annum equal to the sum of (i) the greater of (A) LIBOR for such Interest Period and (B) one-quarter of one percent (0.25%), plus (ii) the Applicable Margin.
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Tile, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except per share values)

	December 31, 2021 (Unaudited)	March 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 31,305	$ 35,587
Restricted cash	1,050	400
Accounts receivable, net	31,415	7,780
Inventories	7,638	5,031
Deferred cost of revenue, current portion	3,698	3,677
Prepaid expenses and other current assets	10,604	2,667
Total current assets	85,710	55,142
Property and equipment, net	575	407
Intangible assets, net	161	322
Deferred cost of revenue, non-current portion	407	291
Other assets	484	385
Total assets	$ 87,337	$ 56,547
Liabilities, convertible preferred stock, common stock, and stockholders' deficit		
Current liabilities:		
Accounts payable	$ 20,925	$ 6,296
Deferred revenues	8,758	8,880
Accrued liabilities	17,495	12,308
Accrued product returns	2,612	898
Term loan, current portion	—	6,850
Other liabilities	3,242	1,632
Total current liabilities	53,032	36,864
Long-term debt, non-current portion, net	31,866	13,455
Warrant liability	579	579
Deferred revenues, non-current portion	825	636
Other long-term liabilities	—	39
Total liabilities	$ 86,302	$ 51,573
Commitments and contingencies (Note 6)		
Redeemable convertible preferred stock: $0.0001 par value; 41,334 shares authorized as of December 31, 2021 and March 31, 2021; and 36,535 shares issued and outstanding as of December 31, 2021 and March 31, 2021, respectively (Liquidation value: $119,802 as of December 31, 2021 and March 31, 2021, respectively)	119,564	119,564
Stockholders' deficit:		
Common stock, 72,000 and 55,000 authorized shares, $0.0001 par value, 11,691 and 11,554 shares issued and outstanding as of December 31, 2021 and March 31, 2021, respectively	1	1
Additional paid-in capital	6,878	5,969
Accumulated deficit	(125,431)	(120,587)
Accumulated other comprehensive income	23	27
Total stockholders' deficit	(118,529)	(114,590)
Total liabilities and stockholders' deficit	$ 87,337	$ 56,547

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

Tile, Inc.
Condensed Consolidated Statements of Operations (unaudited)
Nine Months Ended December 31, 2021 and 2020
(in thousands, except share and per share data)

	Nine Months Ended December 31,	
	2021	2020
Revenue		
Hardware	$77,782	$70,027
Subscriptions and other	11,391	7,562
Total revenue	$89,173	$77,589
Cost of revenue		
Cost of hardware	42,863	35,381
Cost of subscription and other	6,328	4,859
Total cost of revenue	49,191	40,240
Gross profit	39,982	37,349
Operating expenses:		
Research and development	18,233	14,822
Sales and marketing	17,323	14,169
General and administrative	7,862	6,762
Total operating expenses	43,418	35,753
Operating (loss) income	$ (3,436)	$ 1,596
Interest expense	3,922	1,860
PPP loan forgiveness	(2,507)	—
Other income, net	(7)	(434)
(Loss) income before provision for income taxes	$ (4,844)	$ 170
Provision for income taxes	—	—
Net (loss) income	$ (4,844)	$ 170

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

Tile, Inc.
Condensed Consolidated Comprehensive Statements of Operations (unaudited)
Nine Months Ended December 31, 2021 and 2020
(in thousands)

	Nine Months Ended December 31,	
	2021	2020
Net loss	$ (4,844)	$ 170
Other comprehensive (loss) income		
Foreign currency adjustments	(4)	27
Comprehensive (loss) income	$ (4,848)	$ 197

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

Tile, Inc.
Condensed Consolidated Statements of Changes in Redeemable Convertible Preferred Stock and Stockholders' Deficit (unaudited)
Nine Months Ended December 31, 2021 and 2020
(in thousands, except share data)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balances as of March 31, 2020	**36,535**	**$ 119,564**	**11,461**	**$ 1**	**$ 4,628**	**$ (113,550)**	**$ (6)**	**$ (108,927)**
Exercise of stock options	—	—	61	—	53	—	—	53
Stock-based compensation expense	—	—	—	—	702	—	—	702
Net loss	—	—	—	—	—	170	—	170
Cumulative translation adjustment	—	—	—	—	—	—	27	27
Balances as of December 31, 2020	**36,535**	**$ 119,564**	**11,522**	**$ 1**	**$ 5,383**	**$ (113,380)**	**$ 21**	**$ (107,975)**

	Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balances as of March 31, 2021	**36,535**	**$119,564**	**11,554**	**$ 1**	**$ 5,969**	**$ (120,587)**	**$ 27**	**$ (114,590)**
Exercise of stock options	—	—	137	—	60	—	—	60
Stock-based compensation expense	—	—	—	—	849	—	—	849
Net loss	—	—	—	—	—	(4,844)	—	(4,844)
Cumulative translation adjustment	—	—	—	—	—	—	(4)	(4)
Balances as of December 31, 2021	**36,535**	**$ 119,564**	**11,691**	**$ 1**	**$ 6,878**	**$ (125,431)**	**$ 23**	**$ (118,529)**

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

Tile, Inc.
Condensed Consolidated Statements of Cash Flows (unaudited)
Nine Months Ended December 31, 2021 and 2020
(in thousands)

	Nine Months Ended December 31,	
	2021	2020
Operating activities		
Net (loss) income	$ (4,844)	$ 170
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	407	781
Amortization of debt issuance costs	55	461
Stock-based compensation	849	702
Forgiveness of PPP loan	(2,506)	—
Changes in assets and liabilities:		
Accounts receivable, net	(23,635)	(22,680)
Inventories	(2,607)	10,174
Deferred cost of revenue	(137)	442
Prepaid expenses and other current assets	(7,937)	2,128
Other assets	(99)	96
Accounts payable	14,629	6,246
Deferred revenue	67	76
Accrued liabilities	5,187	6,483
Accrued product returns	1,714	325
Other liabilities	1,571	967
Net cash (used in) provided by operating activities	(17,286)	6,371
Investing activities		
Purchase of property and equipment:	(414)	(117)
Net cash used in investing activities	(414)	(117)
Financing activities		
Proceeds from term loan	33,000	—
Repayment of notes payable	(18,988)	—
Proceeds from PPP loan	—	2,506
Proceeds from exercise of employee stock options	60	53
Net cash provided by financing activities	14,072	2,559
Foreign currency effect on cash and cash equivalents	(4)	27
Net (decrease) increase in cash and cash equivalents	(3,628)	8,813
Cash, cash equivalents and restricted cash at beginning of year	35,987	21,914
Cash, cash equivalents and restricted cash at end of year	$ 32,355	$ 30,752
Reconciliation of cash, cash equivalents, and restricted cash to the consolidated balance sheets		
Cash and cash equivalents	$ 31,305	$ 30,352
Restricted cash	1,050	400
Total cash, cash equivalents, and restricted cash	$ 32,355	$ 30,752
Supplemental cash flow information		
Cash paid for interest	$ 17	$ 1,378
Cash paid for income taxes	$ 38	$ 167

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

1. Description of the Business

Business

Tile, Inc. (“Tile” “the Company” or “our”) was incorporated in September 2012, in the state of Delaware. Tile is a smart location company. Tile’s product is a Bluetooth enabled device that works in tandem with the Tile Application (the “Application”), available on iOS or Android, to enable its customers to locate Tiled objects. The Tile itself operates like a buoy, transmitting a beacon that can be received by any phone or tablet with the Application installed. Operating in the background, the Application routinely uploads location information to a centralized server that maps the last location a Tile was seen. When a Tiled item is lost, a user may utilize the Application to ring the Tile if within Bluetooth range, access a map to identify the last known location of the Tile, or report a lost Tile to the server and ask the Tile community to help search for the lost item. Tile is based in San Mateo, California.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements and notes have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for interim financial information and include the accounts of Tile, Inc. and its subsidiaries, Tile Europe Ltd and Tile Network Canada ULC. Certain information or footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. Accordingly, they do not include all the information and footnotes necessary for a complete presentation of financial position, results or operations, or cash flows. In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all adjustments, consisting of a normal recurring nature, which are necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented.

Risks and Uncertainties

The Company’s business, operations, and financial results are subject to various risks and uncertainties, including adverse global economic conditions, including novel coronavirus (COVID-19), and competition in our industry that could adversely affect our business, financial condition, results of operations and cash flows. These important factors, among others, could cause our actual results to differ materially from any future results.

The ongoing and full extent of the impact of the COVID-19 pandemic on the Company’s business, operational, and financial performance is uncertain and will depend on many factors outside the Company’s control. Should the COVID-19 pandemic or global economic slowdown not improve or worsen, or if the Company’s attempt to mitigate its impact on its operations and costs is not successful, the Company’s business, results of operations, financial condition and prospects may be adversely affected.

The Company has financed its operations to date primarily with proceeds from the term loan facility. The Company’s long-term success is depended upon its ability to successfully market its products and services; generate revenue; maintain or reduce its operating costs and expenses; meet its obligations; obtain additional capital when needed; and ultimately, achieve profitable operations. Management believes that the Company’s existing cash and investments as of December 31, 2021 will be sufficient to fund operating and capital expenditure requirements.

2. Summary of Significant Accounting Policies

Principals of Consolidation

Our unaudited condensed consolidated financial statements include our accounts and the accounts of our wholly-owned subsidiaries. All inter-company transactions and balances have been eliminated.

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with U.S. GAAP requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities and the related disclosures at the date of the condensed consolidated financial statements, as well as the reported amounts of revenues and expenses during the periods presented. Estimates are used for determining the selling prices for elements sold in multiple-element arrangements, period over which revenue is recognized for certain arrangements, estimated delivery dates for orders with title transfers upon delivery, allowance for doubtful accounts, product returns, promotional and marketing allowances, stock-based compensation, inventory valuation, fair value of stock awards issued, useful lives of property and equipment, uncertain income tax positions, and income tax valuation allowance. To the extent there are material differences between these estimates, judgments, or assumptions and actual results, the Company's condensed consolidated financial statements will be affected.

Revenue from Contracts with Customers

On April 1, 2020, the Company adopted the new accounting standards codification ("ASC") 606, *Revenue from Contracts with Customers*, for all open contracts and related amendments using the full retrospective method. The Company recognizes revenue in accordance with ASC 606, the core principle of which is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to receive in exchange for those goods or services. To achieve this core principle, five basic criteria must be met before revenue can be recognized:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, the Company satisfies a performance obligation.

The majority of the company's revenue is comprised of Tile hardware device sales. The Company recognizes hardware revenue in the condensed consolidated statement of operations when it satisfies performance obligations under the terms of its contracts and upon transfer of control at a point in time when title transfer either upon shipment to or receipt by the customer as determined by the contractual shipping terms of the contract, net of accrual for estimated sales returns and allowances. Sales returns and allowances were $3.9 million and $2.7 million for the nine months ended December 31, 2021 and 2020, respectively. The next largest stream is made up of the Company's Premium Subscription, which is a monthly subscription allowing the user to have smart alerts, unlimited sharing, location history, battery replacement, premium customer support and more. The remaining revenue streams are immaterial.

The Company offers its software under a cloud-based delivery model, where it provides access to its software on a hosted basis as a service and customers do not have the contractual right to take possession of the software. All

of the Company's revenue and trade receivables are generated from contracts with customers. Revenue is recognized when control of the promised services is transferred to the Company's customers at an amount that reflects the consideration the Company expects to be entitled to in exchange for those services.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under Topic 606. The transaction price is allocated to each distinct performance obligation recognized as revenue when, or as, the performance obligation is satisfied by transferring the promised good or service to the customer. The Company identifies and tracks the performance obligations at contract inception so that the Company can monitor and account for the performance obligations over the life of the contract.

The Company's sales arrangements typically contain multiple performance obligations, consisting of the hardware sale, application usage, hardware support, and in some cases, the Premium Subscription. For arrangements with multiple performance obligations where the contracted price differs from the standalone selling price ("SSP") for any distinct good or service, the Company may be required to allocate the transaction price to each performance obligation using its best estimate for the SSP. For B2B hardware sales, the Company will estimate the expected consideration amount after credits and discounts.

The Company generally offers a limited warranty to end-users covering a period of twelve months for products and obligates the Company to repair or replace products for manufacturing defects or hardware component failures. The warranty is not sold separately and does not represent a separate performance obligation. Therefore, such warranties are accounted for under ASC 460, *Guarantees*, and the estimated costs of warranty claims are generally accrued as cost of revenue in the period the related revenue is recorded. See Note 6—Commitments and Contingencies for further details.

Revenue from the Company's Premium Subscription continues to generally be recognized as the Company transfers control of its services to its customers (i.e. over time), which approximates the previously used revenue recognition method of accounting used by the Company. Tile's Premium Subscription contracts are recognized ratably over the subscription term. Sales of hardware device will have point-in-time with a portion of the consideration being allocated to application usage (maintenance) and support.

More judgments and estimates are required under Topic 606 than were required under Topic 605. Due to the complexity of certain contracts, the actual revenue recognition treatment required under Topic 606 for the Company's arrangements may be dependent on contract-specific terms and may vary in some instances.

Customer payment terms vary by arrangement although payments are typically due within 15—45 days of invoicing. The timing between the satisfaction of the performance obligations and the payment is not significant and the Company currently does not have any significant financing components or significant payment terms.

Remaining Performance Obligations

Remaining performance obligations represent the amount of contracted future revenue not yet recognized as the amounts relate to undelivered performance obligations, including both deferred revenue and non-cancelable contracted amounts that will be invoiced and recognized as revenue in future periods. Revenue expected to be recognized from remaining performance obligations is primarily expected to be recognized over the next twelve months.

Practical Expedients and Exemptions

There are several practical expedients and exemptions allowed under Topic 606 that impact timing of revenue recognition and the Company's disclosures. Below is a list of practical expedients the Company applied in the adoption and application of Topic 606:

- The Company does not evaluate a contract for a significant financing component if payment is expected within one year or less from the transfer of the promised items to the customer.
- The Company generally expenses sales commissions when incurred when the amortization period would have been one year or less. These costs are recorded within selling, general, and administrative in the Statement of Operations.
- The Company is permitted to recognize revenue at the amount to which it has the right to invoice for services performed if the Company's right to payment is for an amount that corresponds directly with the value provided to the customer.
- The Company was not required to restate revenue from contracts that began and were completed within the same annual reporting period. The Company did not apply this practical expedient if a contract extended between two annual reporting periods.
- For completed contracts that had variable consideration, the Company used the transaction price at the date the contract was completed rather than estimating the variable consideration amounts in the comparative reporting periods.
- For contract modifications, the Company reflected the aggregate effect of all modifications that occurred prior to the adoption date when identifying the satisfied and unsatisfied performance obligations, determining the transaction price and allocating the transaction price to satisfied and unsatisfied performance obligations for the modified contract at transition.

Deferred Revenue

Deferred revenue primarily consists of billings or payments received in advance of revenue recognition from services described above and is recognized as the revenue recognition criteria are met. 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 noncurrent.

Contract Costs

The Company has determined that the only incremental costs incurred to obtain contracts with customers within the scope of Topic 606 are sales commissions paid to its employees on hardware sales. The expected cost recovery period on sales commissions is less than one year. As a practical expedient, the incremental costs of obtaining a contract may be expensed when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

Segment Reporting

The Company operates as one reportable and operating segment because its chief operating decision maker ("CODM"), which is its Chief Executive Officer, reviews its financial information on a consolidated basis for purposes of making decisions regarding allocating resources and assessing performance. The Company has no segment managers who are held accountable by the CODM for operations, operating results, and planning for levels of components below the consolidated unit level. The Company's long- lived assets, which are comprised of property and equipment, are based in the United States and China.

The Company sells its products and services worldwide and attributes revenue to the geography where the product was shipped and services provided as it believes it best depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors (presented in thousands).

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	Nine Months Ended December 31,			
	2021		2020	
	Hardware	Subscription and other	Hardware	Subscription and other
North America, including United State	$ 69,864	$ 9,109	$ 61,014	$ 5,936
Europe, Middle East, and Africa	5,179	1,004	6,881	674
Asia and Pacific	2,739	1,278	2,132	952
Total	$ 77,782	$ 11,391	$ 70,027	$ 7,562

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Cash and Cash Equivalents

The Company considers highly liquid investments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents consist principally of demand deposits and money market funds and are held with a domestic financial institution with a high credit standing.

Restricted Cash

Restricted cash relates to cash deposits restricted under letters of credit issued on behalf of the Company in support of indebtedness to trade creditors incurred in the ordinary course of business.

Fair Value Measurements

Assets and liabilities recorded at fair value on the condensed consolidated balance sheets are categorized based upon the level of judgment associated with inputs used to measure their fair value. The categories are as follows:

Level 1 – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs are quoted prices for similar assets or liabilities in active markets or inputs that are observable for the assets or liabilities, either directly or indirectly through market corroboration, for substantially the full term of the financial instruments.

Level 3 – Inputs are unobservable based on the Company's own assumptions used to measure assets and liabilities at fair value. The inputs require significant management judgment or estimation.

The Company's Cash and cash equivalents (including its money market funds), Accounts receivable, and Prepaid expenses and other current assets and Other liabilities as of December 31, 2021 and March 31, 2021 are equal to their carrying value due to the short-term nature of those assets and liabilities. Investments in money market funds are classified within Level 1 because they are valued using quoted market prices. The fair values for long-term debt is estimated based upon discounted future cash flows at prevailing market interest rates. Based on this, the Company believes the fair value of long-term debt approximates its carrying value as of December 31, 2021 and March 31, 2021. There were no transfers of assets and liabilities between levels in the fair value hierarchy during the nine months ended December 31, 2021 and 2020.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount and are non-interest-bearing. The Company evaluates the collectability of its Accounts receivable based on review of its past-due balances, known collection risks and

historical experience. In circumstances where the Company is aware of a specific customer's potential inability to meet its financial obligations to the Company (e.g., bankruptcy filings or substantial downgrading of credit ratings), the Company records a specific reserve for bad debts against amounts due to reduce the net recognized receivable to the amount it reasonably believes will be collected. The Company also incurs "chargebacks" (reversal of payment) from credit card vendors for unauthorized transactions. These chargebacks and the reserve for uncollectable amounts are expensed as a bad debt expense based upon management's estimates. Bad debt expense totaled less than $0.1 million for the nine months ended December 31, 2021 and 2020 and is included in General and administrative expense. The Allowance for doubtful accounts was $0.1 million as of December 31, 2021 and March 31, 2021, respectively.

Inventory and Contract Manufacturing

Inventory is stated at the lower of cost or net realizable value. Cost is computed on a weighted average basis. The determination of market value requires the use of numerous judgments including estimated average selling prices based upon recent sales volumes, industry trends, existing customer orders and current contract prices. These estimates are dependent on the Company's assessment of current and expected orders from its customers. The Company evaluates its ending inventories for excess quantities and obsolescence primarily based on forecasted demand within specific time horizons and technological obsolescence. The estimate for excess and obsolete inventory is recorded to Cost of revenue when identified.

The Company outsources its manufacturing to a foreign independent contract manufacturer. A significant portion of the Company's Cost of revenue consists of inventory purchased from this manufacturer. The Company's manufacturer procures components and manufactures the Company's products based on the demand forecasts provided. These forecasts are based on estimates of future demand for the Company's products, which are in turn based on historical trends and an analysis from the Company's sales and marketing organizations, adjusted for overall market conditions. Shipments of inventory from the contract manufacturer are recorded as finished goods inventory upon shipment when title and the significant risks and rewards of ownership have passed to the Company.

Property and Equipment, Net

Property and equipment are stated at cost less accumulated depreciation and amortization. Property and equipment are depreciated for financial reporting purposes using the straight-line method over the estimated useful lives of the assets, which are between one and five years. Amortization of leasehold improvements is computed using the shorter of the estimated useful life or the remaining lease term. Maintenance and repairs that do not extend the life or improve the asset are expensed in the year incurred.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of these assets is measured by a comparison of the carrying amounts to the future undiscounted cash flows the assets are expected to generate. If Property and equipment are considered to be impaired, the impairment to be recognized equals the amount by which the carrying value of the asset exceeds its fair value. No impairment to any long-lived assets has been recorded in any of the periods presented.

Website and Mobile Application Development Costs

The Company evaluates the costs to develop its website and mobile application to determine whether the costs meet the criteria for capitalization. Costs related primarily to project activities and post implementation activities

are expensed as incurred. As of December 31, 2021 and March 31, 2021, the Company had not capitalized any costs related to the development of its website or mobile application.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of trade accounts receivable.

The Company performs ongoing credit evaluations of its customers to assess the probability of accounts receivable collection based on several factors, including past transaction experience with the customer, evaluation of their credit history, and review of the invoicing terms of the contract. The Company generally does not require collateral. The Company maintains reserves for potential credit losses on customer accounts when deemed necessary. In FY 2021, the Company secured a policy to insure 90% of the accounts receivable balance to mitigate losses.

As of December 31, 2021, the Company had four customers that accounted for 22%, 22%, 13%, and 11% of total accounts receivable. As of March 31, 2021, the Company had three customers that accounted for 54%, 14%, and 11% total accounts receivable. No other customer accounted for more than 10% of accounts receivable as of December 31, 2021 and March 31, 2021.

Customer Concentration

During the nine months ended December 31, 2021, the Company had one customer that accounted for 59% of revenue. For the nine months ended December 31, 2020, the Company had one customer that accounted for 51% of revenue. No other customers accounted for more than 10% of net revenues for the nine months ended December 31, 2021 and 2020.

Cost of Revenue

Cost of revenue for hardware consists of raw materials costs and associated freight, contract manufacture costs, overhead and other direct costs related to those sales recognized as product revenue in the period. Period costs include logistics costs, manufacturing ramp-up costs, personnel costs, warranty obligations and stock-based compensation. Provision costs consist of adjustments for inventory obsolescence and to reflect the lower of cost or net realizable value. Both period and provision costs are recognized in the period in which they are incurred.

Cost of revenue for subscriptions includes hosting, payment processor fees, allocated overhead costs, and customer support service costs.

Deferred Revenue and Deferred Cost of Revenue

Deferred revenue includes two components: 1) customer payments for sales orders that have yet to be delivered; and 2) sales orders pending completion of services (i.e. Application and server connectivity or remaining Premium subscription term). Current deferred revenue relating to these items was $8.8 million and $8.9 million as of December 31, 2021 and March 31, 2021, respectively. The non-current portion of Deferred revenue was $0.8 million and $0.6 million as of December 31, 2021 and March 31, 2021, respectively. Deferred costs are recognized as cost of revenues in the same period that the related revenues are recognized.

Research and Development Costs

Research and development costs include labor and material costs of building and developing prototypes for new products, as well as design and engineering costs. Such costs are charged to Research and development expense as incurred.

Advertising Expenses

Advertising costs consist of costs associated with print, television and e-commerce media advertisements and are expensed as incurred. Total advertising expenses incurred were $6.9 million and $6.3 million for the nine months ended December 31, 2021 and 2020, respectively, and presented in Sales and marketing expense.

Stock-Based Compensation

Stock-based compensation granted to employees, including grants of employee stock options, are recognized in the statements of operations based on their fair values. The Company recognizes stock-based compensation on a straight-line basis using the single-option attribution method over the service period of the award, which is generally four years, net of actual forfeitures. The Company estimates the fair value of employee stock options using the Black-Scholes valuation model. The determination of the fair value of a stock-based award is affected by the deemed fair value of the underlying stock price on the grant date, as well as other assumptions including the risk-free interest rate, the estimated volatility of the Company's stock price over the term of the awards, the estimated period of time that the Company expects employees to hold their stock options, and the expected dividend rate.

Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for temporary differences between the condensed consolidated financial statement and tax basis of assets and liabilities using the enacted tax rates in effect for the years in which the differences are expected to reverse. The effect on deferred taxes of a change in income tax rates is recognized in the statements of operations in the period that includes the enactment date. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts that are more likely than not to be recognized.

The Company recognizes tax benefits from uncertain tax positions only if it believes that it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement.

Net (Loss) Income per Share

Basic net (loss) income per share is calculated by dividing net (loss) income by the weighted-average number of common shares outstanding during the period, without consideration of common stock equivalents. Diluted net (loss) income per share is computed by dividing net (loss) income by the weighted-average number of common share equivalents outstanding for the period determined using the treasury stock method and the potential dilutive securities, consisting of preferred stock, options to purchase common stock, common stock warrants, and restricted stock units. In periods in which the Company reports a net loss, diluted net loss per share is the same as basic net loss per share because dilutive shares are not assumed to have been issued if their effect is anti-dilutive.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606), which superseded nearly all existing revenue recognition guidance. Under ASU 2014-09, an entity is required to recognize revenue upon transfer of promised goods or services to customers in an amount that reflects the expected consideration received in exchange for those goods or services. ASU No. 2014-09 defines a five-step process in order to achieve this core principle, which may require the use of judgment and estimates, and also requires expanded qualitative and quantitative disclosures related to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers, including significant judgments and estimates used. The Company may adopt ASU No. 2014-09 either by using (i) a full retrospective approach for all periods presented in the period of adoption or (ii) a modified retrospective approach with the cumulative effect of initially applying ASU No. 2014-09 recognized at the date of initial application and providing certain additional disclosures. Initially, ASU No. 2014-09 was effective for private companies for annual reporting periods beginning after December 15, 2018. In May 2020, the FASB voted to allow nonpublic entities that have not adopted Topic 606 to defer the adoption by an additional year. The Company adopted this new accounting standard and the related amendments on April 1, 2020 using the full retrospective method. See Note 2—Revenue from Contracts with Customers for further details.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). This standard introduces the new leases standard that applies a right-of-use ("ROU") model and requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset and a liability to make lease payments. For leases with a term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize an ROU asset or lease liability. At inception, lessees must classify all leases as either finance or operating based on five criteria. Balance sheet recognition of finance and operating leases is similar, but the pattern of expense recognition in the income statement, as well as the effect on the statement of cash flows, differs depending on the lease classification. Initially, this ASU was effective for fiscal years beginning after December 15, 2019, with early adoption permitted. In May 2020, the FASB voted to defer the effective date of Topic 842 for nonpublic business entities for an additional year. The standard will be effective for the Company for the fiscal year ended March 31, 2022, and the Company is evaluating the impact of the adoption of Topic 842 on its consolidated financial statements. At a minimum, the Company expects that material leases will be reported on the consolidated balance sheets.

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments," and has since released various amendments including ASU No. 2019-10. The guidance modifies the measurement of expected credit losses on certain financial instruments. This standard will be effective for the Company for the fiscal year ended March 31, 2024. Early adoption is permitted. The Company is currently assessing the impact of the guidance on it consolidated financial statements and disclosures.

In June 2018, the FASB issued ASU No. 2018-07, "Compensation—Stock Compensation (Topic 718): Improvements to Non-employee Share-Based Payment Accounting." The updated guidance simplifies the accounting for non-employee share-based payment transactions. The amendments in the new guidance specify that Topic 718 applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in a grantor's own operations by issuing share-based payment awards. The Company adopted this new standard as of April 1, 2020 and the impact was immaterial to the Company's consolidated financial statements.

In July 2018, the FASB issued ASU No. 2018-09, "Codification Improvements", which clarifies, corrects errors in and makes improvements to several topics in the FASB Accounting Standard Codification. The transition and

effective date guidance is based on the facts and circumstances of each amendment. Some of the amendments do not require transition guidance and were effective upon issuance of the ASU. This ASU is effective for the Company for its fiscal year ended March 31, 2021. The Company adopted this new standard as of April 1, 2020 and the impact was immaterial to the Company's consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-15, "Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract". This standard requires a customer in a hosting arrangement that is a service contract to capitalize certain implementation costs as if the arrangement was an internal-use software project, which requires capitalization of certain costs incurred only during the application development stage and costs to be expensed during the preliminary project and postimplementation stage. This ASU is effective for the Company beginning in its fiscal year ended March 31, 2022. The Company is currently assessing the potential impact of the new standard on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, "Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820)". ASU 2018-13 modifies the disclosure requirements for fair value measurements by removing, modifying, or adding certain disclosures. The ASU is effective for the Company beginning in its fiscal year ended March 31, 2021. The Company adopted this new standard as of April 1, 2020 and the impact was immaterial to the Company's consolidated financial statements.

In December 2019, the FASB issued ASU No. 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes ("ASU 2019-12"). The guidance eliminates certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period, and the recognition of deferred tax liabilities for outside basis differences related to changes in ownership of equity method investments and foreign subsidiaries. The guidance also simplifies aspects of accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. ASU 2019-12 is effective for public business entities for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years and December 15, 2021 for all other entities. Early adoption is permitted, including adoption in any interim period for which financial statements have not been issued. The Company will not adopt ASU No. 2019-12 until fiscal year ended March 31, 2022. The Company is currently assessing the potential impact of the new standard on the Company's consolidated financial statements.

We do not believe that any other recently issued, but not yet effective accounting standards, if adopted, would have a material impact on our consolidated financial statements.

3. Prepaid expenses and other current assets

Prepaid expenses and other current assets consist of the following (in thousands):

	December 31, 2021	March 31, 2021
Prepaid interest	$ 5,922	$ —
Prepaid expenses	1,074	998
Prepaid tariffs and taxes	1,227	729
Other current assets	2,381	940
Total Prepaid expenses and other current assets	$ 10,604	$ 2,667

4. Property and Equipment, Net

Property and equipment, net consist of the following (in thousands):

	December 31, 2021	March 31, 2021	Estimated Useful Life
Computer and computer software	$ 805	$ 601	2 to 5 years
Manufacturing equipment	252	42	1.5 to 5 years
Furniture and fixtures	9	9	5 years
Leasehold Improvements	86	86	Shorter of lease term or useful life
Total property and equipment	$ 1,152	$ 738	
Accumulated depreciation	(577)	(331)	
Property and equipment, net	$ 575	$ 407	

Depreciation expense was $0.2 million and $0.6 million for the nine months ended December 31, 2021 and 2020, respectively.

5. Intangibles and Other Assets, net

During the year ended March 31, 2018, the Company acquired a domain name for cash and shares of the Company's common stock. The domain name is amortized over its useful life of five years. The gross carrying amount of the intangible asset was $1.1 million and $1.1 million, and accumulated amortization was $0.9 million and $0.8 million as of December 31, 2021 and March 31, 2021, respectively. Amortization expense was $0.1 million and $0.1 million for the nine months ended December 31, 2021 and 2020, respectively.

The approximate future amortization expense of intangible assets at December 31, 2021 is as follows (in thousands):

	Amount
FY 2022	$ 54
FY 2023	107
FY 2024	—
FY 2025	—
FY 2026	—
Thereafter	—
Total	$ 161

6. Commitments and Contingencies

Purchase Commitments

The Company had no non-cancelable outstanding purchase orders of finished goods to be delivered by its contract manufacturer as of December 31, 2021 or March 31, 2021, respectively.

Operating Lease

The Company's primary operating lease commitment is related to its headquarters in San Mateo, California, and requires monthly lease payments through September 30, 2022.

Rent expense for all facility leases was $0.7 million and $0.7 million for the nine months ended December 31, 2021 and 2020, respectively.

The approximate future minimum lease commitment under the non-cancelable operating leases at December 31, 2021 is as follows (in thousands):

	Amount
FY 2022	$ 206
FY 2023	411
FY 2024	—
FY2025	—
FY 2026	—
Thereafter	—
Total	$ 617

Litigation

On March 12, 2019, a former competitor of Tile, Cellwitch, Inc, filed a patent infringement claim against the Company in the US District Court, Northern District of California ("Court"). On May 2, 2019, the Company filed a motion to dismiss the case. The plaintiff amended its complaint on May 16, 2019, and the Company filed a renewed motion to dismiss the amended complaint on May 30, 2019. On November 21, 2019, the Court issued an order denying Tile's motion to dismiss the case but finding the underlying patent to be directed to an abstract idea. On December 5, 2019, Tile filed an inter partes review petition challenging the validity of the patent. On December 24, 2019, Tile filed a motion to stay pending the review of the patent. On January 17, 2020, the Court granted Tile's motion to stay and ordered the parties to file a joint status report on June 30, 2020. This case is still currently stayed pending full resolution of Tile's inter partes' review petition, now currently on appeal.

Separately, another former competitor of Tile, Linquet Technologies, also sued Tile for patent infringement. In mid-September 2021, the Court dismissed Linquet Technologies' complaint in its entirety with leave to amend, although stating that given the patent at issue the Court did not believe they could state a valid claim. Linquet filed their amended complaint on October 8, 2021. The Company moved to dismiss the claim on October 22, 2021.

The Company is unable to predict the outcome of the above matters or estimate the range of possible loss, if any. Although the proceedings are subject to uncertainties inherent in the litigation process and the ultimate disposition of these proceedings is not presently determinable, the Company intends to vigorously defend the matters.

Warranties

The Company's products are generally warranted to be free from material defects with a battery life of 12 months. Customers may purchase an extended warranty for devices with replaceable batteries for 36 months. As of December 31, 2021 and March 31, 2021, the Company's product warranty expense has not been material.

7. Accrued liabilities

Accrued liabilities consist of the following (in thousands):

	December 31, 2021	March 31, 2021
Customer related promotions and discounts	$ 10,457	$ 3,720
Payroll and related expenses	3,632	4,457
Other expenses	1,510	2,327
Product warranty	1,896	1,804
Total accrued liabilities	$ 17,495	$ 12,308

8. Debt Facility

Term Loan

In May 2019, the Company entered into a Loan and Security Agreement with Pinnacle Ventures and issued term loans for an aggregate principal of $17.5 million, where $13.2 million was used to replace an existing line of credit with Silicon Valley Bank. The interest rate for the payments not including the final payment of the loan is the greater of the prime rate based on the federal funds rate determined on each date 15 days before the applicable payment date plus 500 basis points, or 10.5% per annum. The final payment interest rate will be the greater of the prime rate determined as of 15 days before the date of the final payment plus 300 basis points and 8.5%. The loan was collateralized by substantially all assets of the Company and contains financial and non-financial covenants with the loan maturing in May 2023. In September 2021, the Company settled the loan in the amount of $17.9 million and recognized $0.9 million as Interest expense in the condensed consolidated statements of operation during the nine months ended December 31, 2021 related to the loan's prepayment penalty.

In connection with the Loan and Security Agreement, the Company issued the lender warrants to purchase a total of $0.6 million worth of shares of the Company's common stock. The exercise price of the warrants is the lesser of (i) $0.95 and (ii) the value of the Company's common stock as determined by the next 409A valuation that is completed after May 24, 2019 and prior to the exercise of any portion of the warrants. The Company analyzed the warrants and determined the warrants were detachable and classified as liabilities and measured at fair value on a recurring basis. The Company initially recorded the fair value of the warrants as deferred financing costs and amortized as interest expense over the term of the loan.

Paycheck Protection Program ("PPP") Loan

On April 30, 2020, the Company received loan proceeds in the amount of approximately $2.5 million under the Paycheck Protection Program ("PPP") Division A, Title I of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), which was enacted March 27, 2020. The PPP, established as part of the CARES Act and administered by the U.S. Small Business Administration (the "SBA"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness was subject to reduction borrower terminates employees or reduces salaries during the eight-week period.

The Company applied for forgiveness of the entire amount of the SBA PPP loan. In June 10, 2021, the Company received notification from the SBA that the PPP funds were used appropriately, and the entire principal amount of $2.5 million was forgiven. In accordance with ASC 405—*Liabilities,* the Company derecognized the liability

at the point in time the liability was extinguished through a legal release of the obligation. Accordingly, the Company recognized the forgiveness of the loan as PPP loan forgiveness in the condensed consolidated statements of operation during the nine months ended December 31, 2021.

Secured Term Loan

In September 2021, the Company entered into a secured term loan with Capital IP Investment Partners, LLC for an aggregate principal amount of $40.0 million with a maturity date in September 2026. The term loan consists of Term A with an aggregate principal of $33.0 million and Term B with an aggregate principal of $7.0 million. The term loans bear interest on outstanding principal amount from the closing date, or in the case of the Term B loan, from the Term B funding date, at a rate per annum equal to the sum of the greater of LIBOR for such period and one-quarter of one percent plus applicable margin. The loan was collateralized by substantially all assets of the Company and contains financial and non-financial covenants. The secured term loan was repaid in January 2022 as part of Life360's acquisition of Tile.

Long-term debt consists of the following as of December 31, 2021 and March 31, 2021 (in thousands):

	December 31, 2021	March 31, 2021
Long-term debt	$ 33,000	$ 21,494
Less: unamortized deferred financing costs	(1,134)	(1,189)
Total debt, net of unamortized deferred issuance costs	31,866	20,305
Less: current portion of long-term debt, net	—	(6,850)
Long-term debt, net	$ 31,866	$ 13,455

The Company amortizes its deferred financing costs related to the long-term debt over the life of the loan as a reduction in the total value of the debt.

9. Share-based Compensation Plans and Awards

Common Stock

The Company reserved the following number of shares of common stock as of December 31 and March 31, 2021, for the potential conversion of outstanding redeemable convertible preferred stock and the exercise of stock options (in thousands):

	December 31, 2021	March 31, 2021
Outstanding stock options	11,434	9,447
Stock options available for future grant	3,322	2,447
Warrants—Common Stock	1,143	1,143
Restricted stock units	5,288	5,288
Convertible preferred stock	36,715	36,535
Total common stock reserved for future issuance	57,902	54,860

2013 Stock Option Plan

In 2013, the Board of Directors approved the 2013 Stock Plan (the Plan), which provides for the granting of incentive and nonstatutory stock options and stock purchase rights to employees, directors, and consultants.

Under the Plan, the Board of Directors (the Plan Administrator) determines various terms and conditions of option grants, including option expiration dates (generally ten years from the date of grant), vesting terms (generally over a four-year period, with 25% vesting at the end of the first year and the balance vesting ratably on a monthly basis over the remaining period), and payment terms. The Plan provides for stock option grants at an exercise price as determined by the Plan Administrator, but in the case of incentive stock options, no less than 100% of the fair market value of the common stock subject to the option on the date of grant as determined by the Board of Directors and not less than 85% of fair market value for nonstatutory stock options. Options granted to owners of 10% or more of the Company's common stock have an exercise price no less than 110% of the fair market value of the common stock on the date of grant as determined by the Board of Directors.

The Plan allows for early exercise of options prior to vesting with Board approval. In connection with the early exercise of stock options, the Company has the right, but not the obligation, to repurchase unvested shares of common stock upon termination of the individual's service to the Company at the original purchase price per share.

A summary of employee and non-employee activities under the Plan as of December 31, 2021 and March 31, 2021 is as follows (amounts in thousands, except per share amounts):

	Number of Shares	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Life	Aggregate intrinsic value (in thousands)
Balance at March 31, 2020	9,934	$ 1.00	8.3	$ 174
Options authorized	—	—		
Options granted	1,933	0.45		
Options exercised	(93)	0.71		
Options canceled	(2,327)	1.56		
Balance at March 31, 2021	9,447	$ 0.49	7.3	$ 52
Options authorized	—	—		
Options granted	3,307	0.96		
Options exercised	(137)	0.42		
Options canceled	(1,165)	0.83		
Balance at December 31, 2021	11,452	$ 0.60	7.7	$ 4,058

	Number of Shares	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Term (Years)	Aggregate intrinsic value (in thousands)
Employee	5,960	$ 0.48	6.6	$ 2,905
Non-employee	48	0.46	5.5	24
Options exercisable at December 31, 2021	6,008	$ 0.48	6.6	$ 2,929

The total intrinsic value of options exercised was $0.7 million for the nine months ended December 31, 2021 and was not significant for the nine months ended December 31, 2020. The total intrinsic value of options vested for the nine months ended December 31, 2021 and 2020 was not significant.

Valuation of Awards

The fair value of options granted to each employee during the nine months ended December 31, 2020 and 2021, was estimated using the Black-Scholes option-pricing model with the following assumptions:

	Nine Months Ended December 31,	
	2021	2020
Expected dividend yield (%)	—	—
Expected life (years)	5.87 - 6.27	5.82 - 6.06
Risk-free interest rate (%)	0.93 - 1	0.37 - 0.51
Expected volatility (%)	59 - 60	57 - 58

The weighted-average estimated grant-date fair value of employee stock options granted during the nine months ended December 31, 2021 and 2020, was $0.96 and $0.45 per share, respectively.

The Company has generally obtained contemporaneous valuation analyses prepared by an unrelated third-party valuation firm in order to assist the Company's Board of Directors in determining the fair value of the Company's common stock and related exercise prices of option awards on the date such awards were granted. The Company has also used these contemporaneous third-party valuations for purposes of determining the fair value of the Company's share-based payment awards and the related stock-based compensation expense.

The Company currently has no history or expectation of paying cash dividends on its common stock. The Company estimates the volatility of its common stock at the date of grant based on the historical and implied volatility of the stock prices of a peer group of publicly traded companies for a period equal to the expected life of its stock options. The risk-free interest rate is based on the U.S. Treasury yield for a term consistent with the expected term of the awards in effect at the time of grant. The expected term represents the weighted-average period the stock options are expected to remain outstanding. The expected term was determined using the simplified approach based on the vesting terms and contractual life of the options.

Stock-based compensation expense was as follows (amounts in thousands):

	Nine Months Ended December 31,	
	2021	2020
Cost of revenue	$ 82	$ 69
Research and Development	376	322
Sales and Marketing	206	158
General and administrative	185	153
Total	$ 849	$ 702

As of December 31, 2021, there was $2.4 million of total unrecognized compensation costs related to nonvested stock options, which is expected to be recognized over a weighted-average period of 0.48 years.

Non-employee Awards

During the nine months ended December 31, 2021, the Company did not grant any stock options to consultants. During the nine months ended December 31, 2020, the Company issued 20,000 stock options exercisable into its

common stock to consultants in exchange for services rendered. These options were revalued at each reporting date using the Black-Scholes option pricing model with the same assumptions as those used for employee awards with the exception of expected term. The expected term for nonemployee awards is the contractual term of 10 years.

Restricted Stock Units

The Company did not grant any Restricted Stock Units ("RSUs") during the nine months ended December 31, 2021 and 2020. RSUs may be granted to employees of the Company and include both a service-based vesting condition and a Performance Vesting Condition. The service-based vesting period for this award is four years, beginning with a cliff vesting period of one year and continuing to vest quarterly thereafter. The Performance Vesting Condition is satisfied on the earlier of (i) an acquisition or change in control of the Company; (ii) 180 day after an initial public offering "IPO" by the Company or; (ii) March 15 of the calendar year following the year in which the Company's IPO is declared effective. As of December 31, 2021 and March 31, 2021, all compensation expense related to RSUs remained unrecognized because the Performance Vesting Condition was not satisfied. At the time the Performance Vesting Condition becomes probable, the Company will recognize the cumulative stock-based compensation expense for the RSUs that have met their service-based vesting condition using the accelerated attribution method.

10. Redeemable Convertible Preferred Stock

The following is a schedule of authorized, issued, and outstanding shares, amounts and aggregate liquidation preferences of Preferred Stock as of December 31, 2021 and March 31, 2021 (in thousands, except per share data):

	Shares Authorized	Conversion Price per Share	Shares Issued and Outstanding	Aggregated Liquidation Preference	Carrying Value
Series A	10,720	$ 1.99	10,720	$ 21,302	$ 21,180
Series B	5,268	3.42	5,268	18,000	17,823
Series B-l	8,117	4.19	8,117	34,003	33,838
Series C Preferred Stock	15,864	3.78	11,065	41,852	41,562
Series C-l Preferred Stock	1,365	3.40	1,365	4,645	5,161

The Company's Preferred Stock is not mandatorily redeemable. Certain of the rights, privileges and restrictions granted to and imposed on the Series A, B, B-1, C, and C-1 Preferred Stock are summarized as follows:

Voting Rights — On any matter presented to the stockholders, each holder of outstanding shares of Preferred Stock has the right to cast the number of votes equal to the number of whole shares of common stock into which the shares of Preferred Stock are convertible.

Dividends—The Company shall not pay or set aside any dividends on shares of its common stock (other than dividends on shares of common stock payable in shares of common stock) in any calendar year unless the holders of the Preferred Stock then outstanding shall first receive a dividend equal to 6% of the original issue price per share (or approximately $0.12 per share for Series A Preferred Stock, approximately $0.21 per share for Series B Preferred Stock , approximately $0.25 per share for Series B- 1 Preferred Stock, approximately $0.23 per share for Series C Preferred Stock and approximately $0.20 per share for Series C-1 Preferred Stock). The foregoing dividends shall not be cumulative and shall be paid when, as and if declared by the Company's Board of Directors. In the case of Series A, B, B-1, C and C-1 Preferred Stock, the original issue price shall mean $1.987,

$3.417, $4.189, $3.7822, and $3.4040 per share, respectively, subject to appropriate adjustment in the event of any stock splits and combinations of shares and for dividends paid on each such series of the Preferred Stock in shares of such stock.

If, after dividends in the full preferential amount for the Preferred Stock that have been paid or set apart for payment in any calendar year, the Company's Board of Directors declares additional dividends out of funds legally available in that calendar year, then such additional dividends shall be declared pro rata on the common stock and the Preferred Stock on a pari passu basis according to the number of shares of common stock held by such holders. For this purpose, each holder of shares of Preferred Stock shall be treated as holding the number of shares of common stock then issuable upon conversion of all shares of Preferred Stock.

Liquidation Preference — In the event of a voluntary or involuntary liquidation, dissolution or winding up of the Company, before any payment shall be made to the holders of common stock, Series A, B and B-1 Preferred Stock, on a pari passu basis, the holders of Series C and C-1 Preferred Stock (together, the "Senior Preferred Stock") shall be entitled to be paid out of the funds and assets available for distribution to its stockholders, an amount per share equal to the greater of (a) the Original Issue Price for such series of Senior Preferred Stock, plus any dividends declared but unpaid thereon, or (b) such amount per share as would have been payable had all shares of such series of Senior Preferred Stock been converted into Common Stock immediately prior to such liquidation, dissolution, or winding up. If the funds and assets available for distribution to the stockholders shall be insufficient to pay the holders of shares of Senior Preferred Stock the full amounts to which they are entitled, the holders shall share ratably in any distribution of the funds and assets available for distribution in proportion to the respective amounts that would otherwise be payable.

After the payment of all preferential amounts required to be paid to the holders of shares of Senior Preferred Stock, and before any payment shall be paid to the holders of common stock, on a pari passu basis, the holders of shares of Series A, B, and B-1 Preferred Stock (together, the "Junior Preferred Stock") shall be entitled to be paid out of the funds and assets of the funds and assets available for distribution to its stockholders, an amount per share equal to the greater of (a) the Original Issue Price for such series of Junior Preferred Stock, plus any dividends declared but unpaid thereon, or (b) such amount per share as would have been payable had all shares of such series of Junior Preferred Stock been converted into Common Stock immediately prior to such liquidation, dissolution, or winding up. If the funds and assets available for distribution to the stockholders shall be insufficient to pay the holders of shares of Junior Preferred Stock the full amounts to which they are entitled, the holders shall share ratably in any distribution of the funds and assets available for distribution in proportion to the respective amounts that would otherwise be payable. After the payment of all preferential amounts required to be paid to the holders of shares of Preferred Stock, the remaining funds and assets available for distribution to the stockholders shall be distributed pro rata among the holders of Common Stock.

Conversion Rights — Each share of Preferred Stock shall be convertible, at the option of the holder, at any time, and without the payment of additional consideration, into such number of fully paid and nonassessable shares of Common Stock. The conversion price is determined by dividing the original issue price by the applicable conversion price for such series of Preferred Stock, adjusted for any anti-dilution adjustment. As of March 31, 2021, the Company's Preferred Stock is convertible into the Company's shares of common stock on a one-for-one basis.

Shares of Preferred Stock shall automatically be converted into shares of common stock at the then effective conversion rate for such share, upon earlier to occur of: (a) the closing of the sale of shares of the Company's common stock to the public in a firm-commitment underwritten public offering pursuant to an effective registration statement resulting in at least $50.0 million of gross proceeds or (b) (i) with respect to the Series C

and C-1 Preferred Stock, the date and time, or the occurrence of an event, specified by vote or written consent of the holders of at least a majority of the outstanding shares of Series C and C-1 Preferred Stock, voting together as a single class on an as-converted basis, and (ii) with respect to the Series A, B and B-1 Preferred Stock, the date and time, or the occurrence of an event, specified by vote or written consent of the holders of at least a majority of the outstanding shares of Series A, B and B-1 Preferred Stock, voting together as a single class on an as-converted basis.

Redemption and Balance Sheet Classification — While the Preferred Stock does not have mandatory redemptions provisions, the deemed liquidation preference provisions of the Preferred Stock are considered contingent redemption provisions that are not solely within the Company's control. These elements primarily relate to deemed liquidation events such as change of control. Accordingly, the Company's Preferred Stock has been presented outside of permanent equity in the mezzanine section of the condensed consolidated balance sheets.

11. Income Taxes

Income tax (benefit)/expense was not material during the nine months ended December 31, 2021 and 2020.

Deferred tax assets and deferred tax liabilities are determined based on temporary difference between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is recorded against deferred tax assets if it is more likely than not that some portion or all of the deferred tax asset will not be realized

In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. As a result, it has established a full valuation allowance against its deferred tax assets to the extent they are not offset by liabilities from uncertain tax positions based on the Company's history of losses. The valuation allowance increased by $1 million at December 31, 2021 for the nine months ended December 31, 2021.

As of December 31, 2021, the Company had net operating loss carryforwards of approximately $96.2 million for federal income taxes and $29.6 million for state income taxes. If not utilized, these carryforwards will begin expiring in fiscal year 2033 for federal and state tax purposes. Federal NOLs generated after March 31, 2018 have an indefinite carryforward period subject to 80% deduction limitation based upon pre-NOL deduction taxable income.

In addition, as of December 31, 2021, the Company also had research and development credit carryforwards of approximately $5.7 million for federal tax purposes and $5.1 million for state tax purposes. The federal research and development tax credit carryforwards will begin expiring in 2036 if not utilized. The state research and development tax credit carryforwards do not expire.

Utilization of the net operating loss carryforwards and credits may be subject to substantial annual limitation due to the ownership change limitations provided by Section 382 of the Internal Revenue Code of 1986, as amended, and similar state provisions. The annual limitation may result in the expiration of the net operating losses and credits before utilization.

The Company records liabilities related to its uncertain tax positions. The Company recognizes the tax benefits from an uncertain tax position only if it is more likely than not that the position is sustainable by the taxing

authority, based on technical merits. The Company has recorded liabilities relating to these positions of approximately $10.9 million as of December 31, 2021. The Company's policy is to classify interest and penalties associated with uncertain tax positions, if any, as a component of its income tax provision. Interest and penalties were not material during the nine months ended December 31, 2021.

The Company's uncertain tax positions stem from U.S. Federal and California research and development ("R&D") tax credits. As of December 31, 2021, Tile continues to record a historical 100% reserve on U.S. and California R&D tax credits. Tile's unrecognized tax benefit as of December 31, 2021 is $10.9 million, which represents an increase of $1.6 million relative to the unrecognized tax benefit as of March 31, 2021 of $9.3 million. The change in the unrecognized tax benefit relates to the increased Federal and California R&D credits generated.

12. Subsequent Events

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The Company has evaluated subsequent events through January 5, 2022, the date when the Company was acquired by Life360.

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On January 5, 2022, the Company was acquired by Life360 for a purchase price of $170.0 million plus up to $35.0 million in retention equity awards for Tile employees, representing total consideration of $205.0 million. The purchase price includes payment of outstanding debt to Capital IP for $29 million.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA

The following sets forth certain unaudited pro forma condensed combined financial data giving effect to the completion of the Tile, Inc. ("Tile") acquisition, including the shares of common stock issued to Tile shareholders to finance a portion of the acquisition consideration. The Tile Acquisition closed on January 5, 2022.

The unaudited pro forma condensed combined financial data set forth below has been presented for informational purposes only. The unaudited pro forma condensed combined financial data set forth below is not necessarily indicative of what our financial position or results of operations would have been had Life360 completed the Tile Acquisition as of the dates indicated. In addition, the unaudited pro forma condensed combined financial data does not purport to project the future financial position or operating results of the combined company. There were no transactions between us and Tile during the periods presented in the unaudited pro forma condensed combined financial statements that would need to be eliminated.

The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2021 assumes the Tile Acquisition was consummated on January 1, 2021. Our condensed combined statement of operations derived from audited financial statements for the year ended December 31, 2021 has been combined with Tile's unaudited condensed consolidated statement of operations for this period after giving pro forma effect to the Tile Acquisition.

The unaudited pro forma condensed combined balance sheet as of December 31, 2021 assumes the Tile Acquisition took place December 31, 2021 and combines our December 31, 2021 audited condensed consolidated balance sheet with Tile's December 31, 2021 unaudited condensed consolidated balance sheet after giving pro forma effect to the Tile Acquisition.

The historical consolidated financial data has been adjusted in the unaudited pro forma condensed combined financial data to give effect to pro forma events that are (1) directly attributable to the Tile Acquisition, (2) factually supportable, and (3) with respect to the statement of operations, expected to have a continuing impact on Tile. The unaudited pro forma condensed combined financial data should be read in conjunction with the accompanying notes to the unaudited pro forma condensed combined financial data set forth below. In addition, the unaudited pro forma condensed combined financial data was based on and should be read in conjunction with our historical consolidated financial statements and accompanying notes and those of Tile for the applicable periods which are included elsewhere in this Form 10.

The unaudited pro forma condensed combined financial data has been prepared using the acquisition method of accounting under existing U.S. generally accepted accounting principles, ("GAAP"), which is subject to change and interpretation. We have been treated as the acquiror in the Tile Acquisition for accounting purposes. The acquisition method of accounting is dependent upon certain valuations and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measurement. Accordingly, the pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial data. Differences between the preliminary estimates and the final acquisition accounting will occur and these differences could have a material impact on the accompanying unaudited pro forma condensed combined financial statements and the combined company's future results of operations and financial position.

The unaudited pro forma condensed combined financial data does not reflect any cost savings, operating synergies or revenue enhancements the combined company may achieve as a result of the Tile Acquisition, the costs to combine our operations with those of Tile, or the costs necessary to achieve any of the foregoing cost savings, operating synergies and revenue enhancements. The unaudited pro forma condensed combined financial data also reflects the common stock issued in connection with the Tile Acquisition.

Life360, Inc. and Tile, Inc.
Unaudited Pro Forma Condensed Combined Balance Sheet
As of December 31, 2021
(in thousands, except per share amounts)

<R>

	Historical		Transaction Accounting Adjustments (1)		Pro Forma Combined
	Life360 (Consolidated)	Tile			
Assets					
Current Assets:					
Cash and cash equivalents	$ 230,990	$ 31,305	$ (158,046)	**A**	$ 104,249
Restricted cash	—	1,050	—		1,050
Accounts receivable	11,772	31,415	—		43,187
Deferred cost of revenue, current portion	—	3,698	(3,698)	**B**	—
Costs capitalized to obtain revenue contracts, net	1,319	—			1,319
Inventory	2,009	7,638	—		9,647
Prepaid expenses and other current assets	10,590	10,604	—		21,194
Total current assets	**256,680**	**85,710**	**(161,744)**		**180,646**
Restricted cash	355	—	14,094	**C**	14,449
Property and equipment, net	580	575	—		1,155
Deferred cost of revenue, net of current portion	—	407	(407)	**B**	—
Costs capitalized to obtain revenue contracts, net of current portion	330	—			330
Prepaid expenses and other assets, noncurrent	3,691	484	—		4,175
Right of use asset	1,627	—	—		1,627
Intangible assets, net	7,986	161	52,539	**D**	60,686
Goodwill	31,127	—	102,223	**E**	133,350
Total Assets	**$ 302,376**	**$ 87,337**	**$ 6,705**		**$ 396,418**
Liabilities and Stockholders' Equity					
Current Liabilities:					
Accounts payable	$ 3,248	$ 20,925	$ —		$ 24,173
Accrued expenses and other liabilities	10,547	20,737	21,095	**C, F**	52,379
Accrued product returns	—	2,612	—		2,612
Contingent consideration	9,500	—	9,316	**G**	18,816
Convertible notes, current	4,222	—	—		4,222
Deferred revenue	13,929	8,758	—		22,687
Total current liabilities	**41,446**	**53,032**	**30,411**		**124,889**
Convertible notes, noncurrent	8,284	—	—		8,284
Derivative liability, noncurrent	1,396	—	—		1,396
Long-term debt	—	31,866	(31,866)	**H**	—
Deferred revenues, non-current portion	—	825			825
Warrant liability	—	579	(579)	**I**	—
Other noncurrent liabilities	1,205	—	—		1,205
Total Liabilities	**52,331**	**86,302**	**(2,034)**		**136,599**
Redeemable convertible preferred stock	—	119,564	(119,564)	**J**	—
Stockholders' Equity					
Common stock	61	1	—	**J**	62
Additional paid-in capital	416,278	6,878	8,955	**J**	432,111
Notes due from affiliates	(951)	—	—		(951)
Accumulated deficit	(165,343)	(125,431)	119,372	**K**	(171,402)
Accumulated other comprehensive income	—	23	(23)	**K**	—
Total stockholders' equity	**250,045**	**(118,529)**	**128,303**		**259,819**
Total liabilities and stockholders' equity	**$ 302,376**	**$ 87,337**	**$ 6,705**		**$ 396,418**

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<R>
(1) There were no Autonomous Entity Adjustments.
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See the accompanying notes to the unaudited pro forma condensed combined financial data, which are an integral part of these statements. The pro forma adjustments are explained in Note 5—Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet.

Life360, Inc. and Tile, Inc.
Unaudited Pro Forma Condensed Combined Statement of Operations
For the Year Ended December 31, 2021
(in thousands, except per share amounts)

<R>

	Historical		Transaction Accounting Adjustments (1)		Pro Forma Combined	
	Life360 (Consolidated)	Tile				
Subscription revenue	$ 86,551	$ 16,695	$ —		$ 103,246	
Other revenue	26,092	88,898	—		114,990	
Total revenue	112,643	105,593	—		218,236	
Cost of subscription revenue	17,807	7,557	2,551	**A, B**	27,915	
Cost of other revenue	4,961	51,264	—		56,225	
Total cost of revenue	22,768	58,821	2,551		84,140	
Gross profit	89,875	46,772	(2,551)		134,096	
Operating expenses:						
Research and development	50,994	23,248	5,333	**C**	79,575	
Sales and marketing	47,473	21,126	7,201	**A, C**	75,800	
General and administrative	23,670	12,350	16,330	**C, D**	52,350	
Total operating expenses	122,137	56,724	28,864		207,725	
Loss from operations	(32,262)	(9,952)	(31,415)		(73,629)	
Other expenses:						
Convertible notes fair value adjustment	511	—	—		511	
Derivative liability fair value adjustment	733	—	—		733	
Other expenses, net	178	2,099	—		2,277	
Total other expenses	1,422	2,099	—		3,521	
Loss before benefit (provision) from income taxes	(33,684)	(12,051)	(31,415)		(77,150)	
Benefit (provision) from income taxes	127	—	(1,425)	**E**	(1,298)	
Net loss	$ (33,557)	$ (12,051)	$ (32,840)		$ (78,448)	
Net loss per share						
Basic	$ (0.65)				$ (1.50)	**F**
Diluted	$ (0.65)				$ (1.50)	**F**
Weighted average shares						
Basic	51,656,195		780,593	**F**	52,436,788	**F**
Diluted	51,656,195		780,593	**F**	52,436,788	**F**

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<R>

(1) There are no Autonomous Entity Adjustments.

</R>

See the accompanying notes to the unaudited pro forma condensed combined financial data, which are an integral part of these statements. The pro forma adjustments are explained in Note 6—Adjustments to Unaudited Pro Forma Condensed Combined Statement of Operations.

Life360, Inc. and Tile, Inc.

Note to Unaudited Pro Forma Condensed Combined Financial Data

Note 1 – Description of Transaction

The Tile, Inc. Acquisition

On January 5, 2022, we completed the acquisition of Tile, a privately held consumer electronics company pursuant to a merger agreement with Tile. Pursuant to the merger agreement, we agreed to acquire all of Tile's outstanding equity interests through a merger of our wholly owned subsidiary with Tile. Following the merger, Tile became our wholly owned subsidiary. For purposes of the unaudited pro forma condensed combined financial data, we estimate the total consideration to be paid in connection with the Tile Acquisition will be approximately $182.8 million, consisting of approximately $158.0 million in cash, $15.5 million in shares of our common stock and an approximately $9.3 million in contingent consideration. The $15.5 million of common stock issued as consideration is comprised of 780,593 shares of the Company's common stock valued on the date of acquisition, of which 1,561 shares were granted to a key employee and vest based on continued employment. The derived value of $9.3 million in contingent consideration consists of 534,465 shares of common stock contingent consideration valued on the date of acquisition which was promised upon reaching certain operational goals of which 4,784 shares of contingent consideration were granted to a key employee and vest based on continued employment. Of the consideration transferred, $14.1 million in cash and 84,524 common shares were placed in an indemnity escrow fund to be held for three years after the acquisition date for general representations and warranties.

Note 2 – Basis of Presentation

The unaudited pro forma condensed combined financial data was prepared using the acquisition method of accounting and was based on our historical financial statements and those of Tile. Prior to the acquisition of Tile, Tile prepared financial statements based on a March 31 fiscal year end. Tile's unaudited pro forma condensed combined financial data contained herein reflects the twelve months ended December 31, 2021. As we and Tile have different fiscal year ends, in order to meet the SEC's pro forma requirements of combining operating results for our fiscal year, Tile's financial results for the 9 month period ended December 31, 2021 have been calculated by taking (i) the results for the fiscal year ended March 31, 2021, minus (ii) the results for 9 months period ended December 31, 2020, plus (iii) the results for 9 months period ended December 31, 2021. We are not currently aware of any significant accounting policy differences between us and Tile, however as further information becomes available such policy differences may be identified and could result in significant differences from the unaudited condensed combined pro forma financial statements.

The acquisition method of accounting is based on Accounting Standards Codification ("ASC") Topic 805, Business Combinations, which uses the fair value concepts defined in ASC Topic 820, Fair Value Measurements and Disclosures.

ASC Topic 805 requires, among other things, that assets and liabilities acquired be recognized at their fair values as of the acquisition date. Our financial statements issued after completion of the Tile Acquisition will reflect such fair values, measured as of the acquisition date, which may be different than the estimated fair values included in these unaudited pro forma condensed combined financial statements. In addition, ASC Topic 805 establishes that the consideration transferred be measured at the closing date of the Tile Acquisition at the then-current fair value, which will likely result in acquisition consideration that is different from the amount assumed in these unaudited pro forma condensed combined financial statements.

ASC Topic 820 defines the term "fair value" and sets forth the valuation requirements for any asset or liability measured at fair value, expands related disclosure requirements and specifies a hierarchy of valuation techniques based on the nature of the inputs used to develop the fair value measures. Fair value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market

participants at the measurement date." In addition, market participants are assumed to be buyers and sellers unrelated to us in the principal (or the most advantageous) market for the asset or liability. Fair value measurements for an asset assume the highest and best use by these market participants. As a result of these standards, we may be required to record assets which are not intended to be used or sold and/or to value assets at fair value measures that do not reflect our intended use of those assets. Many of these fair value measurements can be highly subjective and it is also possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts.

Under ASC 805, acquisition-related transaction costs (such as advisory, legal, valuation, other professional fees) are not included as a component of acquisition consideration and are excluded from the unaudited pro forma condensed combined statement of operations. Such costs will be expensed in the historical statements of operations in the periods incurred. We expect to incur total acquisition-related transaction costs of approximately $7.2 million. As discussed in Note 6, the liabilities related to these costs have been included in the unaudited pro forma condensed combined balance sheet as of December 31, 2021.

Note 3 – Estimate of Consideration Expected to be Transferred

The following is a preliminary estimate of consideration expected to be transferred to effect the Tile Acquisition:

Estimated Acquisition Consideration	
Cash payments	$ 158,046
Equity payments	15,409
Contingent consideration	9,316
Total estimated purchase price consideration	**$ 182,771**

Note 4 – Estimate of Assets to be Acquired and Liabilities to be Assumed

The following is a preliminary estimate of the assets to be acquired and the liabilities to be assumed by the Company in the acquisition, reconciled to the estimate of consideration expected to be transferred:

Estimate of Assets Acquired and Liabilities Assumed	
Cash and cash equivalents	$ 31,305
Restricted cash	1,050
Accounts receivable	31,415
Prepaid expenses and other current assets	10,604
Inventory	7,638
Property and equipment, net	575
Other-noncurrent assets	484
Accounts payable	(20,925)
Accrued expenses and other current liabilities	(23,290)
Deferred revenue	(9,583)
Net tangible assets acquired	**$ 29,273**
Adjustments	
Identifiable intangible assets	52,700
Goodwill	102,223
Benefit (provision) from income taxes	(1,425)
Net assets acquired	**$ 182,771**

Life360, Inc. and Tile, Inc.

Note to Unaudited Pro Forma Condensed Combined Financial Data

The preliminary valuation of assets acquired and liabilities assumed for the purposes of these unaudited pro forma condensed combined financial statements was primarily limited to the identification and valuation of intangible assets and tax purchase accounting adjustments. We believe this was an appropriate approach based on a review of similar acquisitions, which indicated the most significant and material portion of the purchase price would be allocated to identifiable intangible assets. We will continue to refine our identification and valuation of assets to be acquired and the liabilities to be assumed as further information becomes available during the twelve month measurement period in accordance with ASC 805. The goodwill recognized represents the excess of acquisition consideration over the estimated value of the net assets to be acquired.

The following is a discussion of the adjustments made to Tile's assets and liabilities in connection with the preparation of these unaudited pro forma condensed combined financial statements:

Identifiable Intangible Assets

On the closing date of the Tile Acquisition , identifiable intangible assets are required to be measured at fair value and these acquired assets could include assets that are not intended to be used or sold or that are intended to be used in a manner other than their highest and best use. For purposes of these unaudited pro forma condensed combined financial statements, it is assumed that all assets will be used in a manner that represents their highest and best use. Based on internal assessments as well as discussions with Tile, we identified the following significant intangible assets: acquired technology, trade name, and customer relationships. For purposes of these unaudited pro forma condensed combined financial statements, the fair value of these intangible assets has been determined primarily through the use of the "income approach," which requires an estimate or forecast of all the expected future cash flows through the use of either the multi-period excess earnings method or the relief-from-royalty method.

At this time, we do not have sufficient information as to the amount, timing and risk of the estimated future cash flows needed to perform a final valuation of acquired technology, trade name, and customer relationships. Some of the more significant assumptions inherent in the development of estimated cash flows, from the perspective of a market participant, include: the amount and timing of projected future cash flows (including revenue, expenses, working capital, and capital expenditures) and the discount rate selected to measure the risks inherent in the projections of future cash flows. However, for the purposes of these unaudited pro forma condensed combined financial statements, using currently available information, and certain other high-level assumptions, the fair value of the identifiable intangible assets were estimated by our management to be as follows: developed technology of $18.4 million, with a useful life of 5 years; trade name of $20.0 million, with a useful life of 10 years; and customer relationships of $14.3 million, with a useful life of 8 years.

These preliminary estimates of fair value and weighted-average useful life will likely be different from the final acquisition accounting, and the difference could have a material impact on the accompanying pro forma condensed combined financial statements. Once we have full access to the specifics of Tile's operations, additional insight will be gained that could impact: (1) the intangible assets identified; (2) the estimated total value assigned to intangible assets; and (3) the estimated useful life of each category of intangible assets. For each $10.0 million change in the fair value of identifiable intangible assets, there could be an annual change in amortization expense—increase or decrease—of approximately $1.3 million, assuming a weighted-average useful life of 8 years.

Other Assets/Liabilities

Adjustments to Tile's remaining assets and liabilities may also be necessary, however at this time we have limited knowledge as to the specific details and nature of those assets and liabilities necessary in order to make adjustments to those values. However, since the majority of the remaining assets and liabilities are current assets and liabilities, we believe that the December 31, 2021 Tile book values for these assets represent reasonable estimates of fair value or net realizable value, as applicable. In addition, certain adjustments were made to current assets and liabilities to account for changes expected to occur prior to closing.

Goodwill

Goodwill is calculated as the difference between the acquisition date fair value of the consideration expected to be transferred and the fair value of the assets acquired and liabilities assumed. Goodwill is not amortized but rather subject to an annual fair value impairment test.

Note 5 – Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet:

(A) ***Cash adjustments*** **–** Pro forma adjustments to cash are as follows:

Cash paid to Tile stockholders	$(110,300)
Cash paid to settle Tile third-party indebtedness	(29,000)
Cash paid to expense fund	(250)
Cash paid to indemnification escrow fund	(14,094)
Cash paid to settle Tile unpaid transaction costs	(4,402)
Total	**$(158,046)**

(B) ***Deferred cost of revenue*** **–** To reflect the elimination of historical Tile deferred cost of revenue asset balance and to adjust recorded amortization expense associated with the capitalized costs which were not acquired by the Company.

(C) ***Restricted cash*** **–** On the closing date in accordance with the merger agreement, the Company paid $14.1 million to an indemnification escrow fund. The amount is required to be delivered to an indemnification escrow fund to secure Tile's performance for indemnification and other general representations and warranties. The amounts are payable to respective shareholders at the end of the respective indemnification period, which is defined as terminating on the third anniversary of the closing date. The $14.1 million is included within total acquisition consideration of $182.8 million.

(D) ***Intangible assets*** **–** To reflect the elimination of the historical Tile intangible asset balance of $0.2 million and to reflect the preliminary fair values of intangible assets acquired of $52.7 million. The estimated fair values and related useful lives of the intangible assets acquired are considered preliminary and are subject to change. Accordingly, the estimates related to deferred taxes discussed in Note 5 above are also subject to change. Changes in the fair value or useful lives of the acquired intangible assets may be material. Determination of the estimated useful lives of the acquired technology, trade name, and customer relationships were based on historical experience and the estimated life of the Tile technology, the Company's plan to use the trade name for an extended period of time, and the weighted useful life for customer relationships based on the total amounts attributed to the subscription and hardware, respectively. The intangible assets are being amortized using the straight-line method.

(E) ***Goodwill*** **–** The Goodwill balance of $102.2 million represents the excess of the preliminary estimated purchase price over the fair value of the underlying net assets. Goodwill is not amortized to earnings, but instead is reviewed for impairment at least annually, absent any indicators of impairment. Goodwill recognized from the Tile Acquisition is not expected to be deductible for tax purposes.

(F) ***Accrued expenses and other liabilities*** **–** To reflect $1.6 million of additional transaction costs incurred associated with the Tile Acquisition, $5.4 million of change in control payments and $14.1 million in escrow.

(G) ***Contingent consideration*** **–** To reflect the preliminary estimate of $9.3 million for the fair value of contingent consideration in connection with the Acquisition. The contingent consideration is payable based on the achievement of certain targets for revenue and earnings before interest, taxes, depreciation, and amortization ("EBITDA") for the fourth quarter of calendar year 2021 and the first quarter of calendar year 2022. The contingent stock consideration consisting of 534,465 shares of common stock, shall be held at fair value with changes in fair value recognized in earnings. The estimated fair value of the contingent consideration was determined by using a Monte Carlo Simulation scenario-based analysis that estimates the fair value of the contingent consideration based on the probability-weighted present value of the expected future cash flows, considering possible outcomes based on actual and forecasted results.

(H) ***Long-term debt*** **–** To reflect notes payable which Tile settled prior to the acquisition date of January 5, 2022 and thus were excluded from the purchase price allocation.

(I) ***Warrant liability*** **–** To reflect warrant liabilities which Tile settled prior to the acquisition date of January 5, 2022 and thus were excluded from the purchase price allocation.

(J) ***Equity*** **–** To reflect the following equity transactions in connection with the Tile Acquisition:

	Common Stock	Preferred Stock	APIC
Fair value of equity issued as purchase consideration	$ 1	$ —	$13,725
Fair value of equity contributed to indemnity escrow fund	—	—	1,667
Fair value of options assumed—replacement awards	—	—	16
Vested options assumed	—	—	425
Eliminate Tile preferred stock	(1)	(119,564)	—
Eliminate Tile APIC	—	—	(6,878)
Total	**$ —**	**$(119,564)**	**$ 8,955**

(K) ***Accumulated deficit*** **–** To eliminate Tile's historical accumulated deficit of $125.4 million.

Pro forma adjustments to the accumulated deficit are as follows:

Eliminate Tile accumulated deficit	$125,431
Adjustment for accumulated other comprehensive income	(23)
Adjustment for post-combination expenses	(7,484)
Adjustment for estimated benefit (provision) from income taxes	1,425
Total	**$119,349**

Note 6 – Adjustments to Unaudited Pro Forma Condensed Combined Statement of Operations:

(A) ***Intangible amortization –*** To reflect amortization of acquired definite-lived intangible assets based on their preliminary estimated fair values as discussed in Note 4 with an average estimated useful life of 8 years. Also, See Note 5 – Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet.

(B) ***Deferred cost of revenue –*** To adjust for the amortization expense recorded by Tile associated with deferred costs of revenue which were not acquired by the Company.

(C) ***Post-combination stock-based compensation expenses –*** To reflect transaction costs associated with stock-based compensation. The Company issued 1,499,349 shares of retention restricted stock units valued at $29.6 million granted to employees. In addition, 38,730 vested stock options valued at $0.4 million were issued to Tile employees as stock-based compensation on the acquisition date. The Company also provided common stock valued at $0.1 million to a key employee for his continued employment over a 30-month period. Of the 1,499,349 shares of retention restricted stock units, 787,446 shares valued at $15.6 million contain performance vesting criteria based on the achievement of certain company milestones and vest over a two-year period. The remaining retention restricted stock units of 711,903 shares vest over a two to four year period. The post-combination expenses reflected within the pro forma condensed combined statement of operations reflects the expense associated with the portion which would have vested during the twelve months ended December 31, 2021.

(D) ***Post-combination transaction costs –*** To reflect post-combination transaction expenses of $7.2 million.

(E) ***Benefit from income taxes –*** An estimated benefit from income taxes was recorded in connection with the Tile Acquisition. In accordance with ASC 805, a change in the acquirer's valuation allowance that stems from a business combination should be recognized as an element of the acquirer's income tax expense or benefit in the period of the acquisition. Accordingly, the Company estimates a $1.4 million partial release of its valuation allowance and a corresponding income tax benefit stemming from the Tile Acquisition.

(F) ***Earnings per share –*** Earnings per share are calculated using the "if-converted" method. In applying the if-converted method, conversion should not be assumed for purposes of computing diluted EPS if the effect would be antidilutive. As the pro forma condensed combined statement of operations presents a net loss, the basic and diluted per share amounts are calculated using weighted average shares assumed to be outstanding as of December 31, 2021.

For the purpose of computing pro forma basic and diluted earnings per share, the $13.7 million issuance of common stock was assumed to be at a price per share of $19.76 (three times the CDI value of $6.59, which was the fair value of the CDIs in USD on the closing date of the transaction), resulting in the issuance of 694,672 shares. An additional 1,397 shares also valued at $19.76 were issued to a key employee as a retention bonus. Further, under the terms of the merger agreement, the Company agreed to transfer 84,524 shares of common stock to an indemnification escrow fund. The fair value of the escrow common shares was also based on the quoted market closing price per share on January 5, 2022 of $19.76.

SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized.

<R>

LIFE360, INC.

By: /s/ Chris Hulls
Chris Hulls
Chief Executive Officer
Date: June 13, 2022

</R>

Exhibit 10.13

EXECUTION VERSION

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. SUCH EXCLUDED INFORMATION HAS BEEN MARKED WITH "[***]."

DATA SERVICES AND LICENSE AGREEMENT

This cover sheet (the "***Cover Sheet***"), together with the Terms and Conditions attached as Attachment A (the "***Terms***") and any other exhibits or attachments, constitute the Data Services and License Agreement (the "***Agreement***"), effective as of January 26, 2022 (the "***Effective Date***"), by and between Life360, Inc., a Delaware corporation ("***Life360***"), and Placer Labs Inc., a Delaware corporation ("***Placer***"). Each of Life360 and Placer is a "***Party***" or a "***party***," and collectively the "***Parties***" or "***parties***."

Placer

Complete Entity Name:	Placer Labs Inc.
Principal Place of Business:	340 Lemon Avenue #1277, Walnut, CA 91789
Contact Name:	[***]
Contact Email:	[***]
Privacy Policy URL:	https://www.placer.ai/privacy-policy/

Life360

Complete Entity Name:	Life360 Inc.
Principal Place of Business:	539 Bryant Street, Suite 402, San Francisco CA 94107
Contact Name:	Kirsten Daru
Contact Email:	[***]
Privacy Policy URL:	https://support.life360.com/hc/en-us/articles/360043228154

Services Details

Data Processing Services Provided by Placer	Subject to, and as described in, the Agreement and in partial consideration of the Placer Fees (as defined below), Placer shall perform the following data processing services for Life360 pursuant to Life360's reasonable instructions consistent with the Agreement and the Agreement and on Life360's behalf (collectively, the "***Placer Data Processing Services***"):

	• **Differential Privacy Service**. [***] as further described in the second column of Attachment C-1. Placer will provide support, bug fixes and other maintenance in accordance with the Attachments. • F**iltering and Analytics Service**. [***] as described in Section 2 of Attachment A which Placer shall deliver to Life360.
Additional Services Provided by Placer	Subject to, and as described in, the Agreement and in partial consideration of the Placer Fees, Placer shall provide the following services to Life360: • **POI Data** (as per Attachment E) – Placer will grant Life360 a license [***] as further specified in the Agreement. • **Placer Analytics** (as per Attachment F) – Life360 will be granted a license from Placer to [***].
Aggregated Data	Subject to, and as described in, the Agreement and in consideration of the Life360 Fees, Placer may freely use and otherwise process, including sell, Aggregated Data, subject to the limitations and restrictions set forth in the Agreement.
Fees:	Fees payable by Life360 Life360 shall pay Placer the fees as set forth in Attachment D (the "***Placer Fees***"). Fees payable by Placer Placer shall pay Life360 the fees as set forth in Attachment D (the "***Life360 Fees***").

The above in this "License Details" section is a summary of the operative and binding terms located in the below Attachments. In the event of a conflict between the "License Details" and the below Attachments, the Attachments will govern.

Execution

In consideration of the mutual promises and covenants in the Agreement, each party has caused this Agreement to be executed by a duly authorized representative as of the Effective Date. By executing this Agreement, each party affirms that it fully understands and accepts all applicable terms, policies and conditions of this Agreement, and enters into the same with the other party.

LIFE360, INC.

By: /s/ Chris Hulls
(*sign*)

Name: Chris Hulls
(*print*)

Title: CEO
(*print*)

PLACER

By: /s/ Noam Ben-Zvi
(*sign*)

Name: Noam Ben-Zvi
(*print*)

Title: CEO
(*print*)

ATTACHMENT A

Terms and Conditions

1. Definitions:

a. "***Aggregated Data***" means [***].

b. "***Anonymized Data***" means [***].

c. "***Daily Active User***" or "***DAU***" means [***].

d. "***Data Types***" are set forth in Attachment B.

e. "***DPS Input***" means [***].

f. "***DPS Output***" means [***].

g. "***Expenses***" means actual out-of-pocket expenses [***] with respect exclusively to setting up and operating the DPS, including but not limited to expenses associated with and/or related to [***], provided that Life360 obtains Placer's written approval of the categories of expenses it will be expected to be responsible for before any such expenses are incurred, which shall not be unreasonably withheld. [***]

h. [***].

i. [***].

j. "***Life360 Data***" means [***].

k. "***Life360 Property***" means, collectively, any data or other intellectual property (e.g., [***]) created, processed or developed by Life360 as well as Life360 Data. Life360 Property is owned by Life360.

l. "***Placer Property***" means, collectively, all Placer products and services [***] as well as intellectual property rights in the foregoing. Placer Property is owned by Placer.

m. "***Placer Analytics Platform***" means Placer's Physical-World Analytics Platform, Placer software code and any work product, reports, or other output or results, designs, methods, inventions, know- how, techniques, applications, or other materials or technology, or any enhancements to the foregoing.

n. [***].

o. "***Placer Provided Aggregated Data***" has the meaning set forth in Attachment F.

2. Placer Data Services

a. ***Privacy Focused DPS and Suspension***. Life360 and Placer acknowledge and agree that Life360 shall license [***] (the "***Differential Privacy Service***" or "***DPS***") as described herein and in Attachment C. Each of Life360 and Placer agrees to comply with its obligations and perform the services, as applicable, as set forth in Attachment C.

[***]

b. ***Life360 Data Provided to Placer for the Data Processing Services***. [***].

i. [***].

ii. [***].

iii. [***].

iv. [***] .

c. [***].

i. [***].

d. [***].

i. [***].

ii. [***].

iii. [***].

iv. **[***]**.

e. [***].

f. [***].

i. [***].

g. Placer shall have the right to update and modify the DPS software at its sole discretion, so long as it preserves at least substantially the same amount of privacy measures as set forth in Attachment C-1. Placer will (i) assist Life360 with setting up the DPS and (ii) perform any maintenance, bug fixes, or similar updates to the DPS as reasonably requested by Life360. [***].

h. [***].

3. Placer License, Restrictions and Obligations

a. ***License and Restrictions***. Sole and exclusive title to and ownership of the (i) Placer Property, and (ii) all trade secrets, know-how, inventions, techniques, processes, algorithms, software programs, schematics, documentation related thereto created or owned by, or provided to Life360 by, Placer (collectively, "***Placer Information***"), including, without limitation, all derivatives, improvements, developments, enhancements and modifications thereof made during, after, in connection with or as a result of this Agreement, shall at all times remain with Placer. For the avoidance of doubt, Placer Property is proprietary to Placer and Placer owns all intellectual property rights in and with respect to all Placer Property. Subject to the terms and conditions of this Agreement, Placer hereby grants to Life360 a non-transferable and non-assignable (except in accordance with Section 13.b below), non-exclusive, limited license, without the right to sub- license (except to its contractors performing services on its behalf), to use Placer Property provided to or made available to Life360 for the sole purposes of exercising rights and performing obligations set forth herein. For clarity, with respect to the contractors mentioned in the foregoing parenthesis, Life360 shall ensure that such contractors comply with all of Life360's obligations and restrictions under this Agreement, and Life360 shall be liable for any non-compliance by such contractors as if they were Life360's own non-compliance.

Except as expressly set forth under this Agreement, no license, expressed or implied, in the Placer Property or Placer Information is granted hereunder and Life360 shall not (i) create derivative works, modify, analyze source code, reverse engineer, decompile or disassemble or otherwise determine the source code or inner functionality of any Placer Property or component thereof; (ii) utilize any computer software or hardware which is designed to defeat any copy protection of the Placer Property; (iii) copy the look-and-feel of Placer Property; (iv) remove any proprietary notices, marks, labels, or logos from the Placer Property and shall not permit others to do so; or (v) use the Placer Property or Placer Information for any other purpose not expressly permitted in this Agreement. Life360 may provide feedback ("***Feedback***") to Placer in respect of the Placer Property. Placer has not agreed and does not agree to treat as confidential any Feedback provided by Life360 with respect to the Placer Property, and nothing in this Agreement or in the parties' dealings arising out of or related to this Agreement will restrict Placer's right to use, profit from, disclose, publish, or otherwise exploit any Feedback, without compensating Life360, provided that Placer does not identify Life360 as the provider of any Feedback. Without limiting the generality of the foregoing, Life360 agrees that its provision of Feedback does not give it any intellectual property or any other right, title, or interest in or to any software, inventions, or other assets created by Placer, even if such Feedback leads Placer to create the software, invention, or other asset. Nothing in this Agreement will limit any of Life360's rights under applicable law or prohibit Life360 from developing products, branding, concepts, systems or techniques that are similar to or compete with the DPS provided that Life360 does not violate any of its obligations under this Agreement in connection with such development. The Parties shall comply with the obligations and perform the services set forth in Attachment C.

b. [***].

i. [***].

c. Placer Obligations

i. [***].

ii. [***].

A. [***].

B. [***].

C. [***].

iii. [***].

iv. [***].

v. [***].

d. **Exclusivity**. During the Term and for the period thereafter (if any) set forth in Section 6.d, notwithstanding anything to the contrary herein and otherwise consistent with the terms of Schedule H, Life360 and its Affiliates shall not sell, license, deliver, make available, or otherwise provide or grant any rights to any third party or person, or permit any third party or person to receive, purchase, have access to, use, or otherwise process [***] "***Restricted Data***"), [***].

i. **Delivery**. Subject to and conditioned on Placer's payment of fees and Expenses (as applicable) set forth in this Agreement and Placer's and its Authorized Users' compliance with the terms and conditions of this Agreement and the Delivery and Information Security Terms attached as Attachment G, during the applicable period during the Term, Life360 will provide Placer access to DPS Output in the form and for the purposes specified herein in accordance with the following:

ii. [***].

iii. [***]

4. Compliance Obligations and Privacy Focused Practices

a. **Legal Compliance**. [***].

b. **Other Obligations**.

i. [***].

ii. [***]

iii. [***]

iv. [***]

c. Life360 Records and Audit. [***]

d. Placer Records and Audit. [***]

5. Payments

a. Payments.

i. Placer will pay Life360 fees in accordance with Attachment D herein. Throughout the Term and to the extent consistent with Attachment D herein, Placer will calculate the Life360 Fees owed in accordance with this Agreement on a calendar monthly basis. Within 15 days of the end of each calendar month during which fees were incurred, Placer shall provide a report (the "***Life360 Fee Report***") that details the actual Life360 Fees calculation. Life360 will then invoice Placer, and Placer will pay the Life360 Fees within thirty (30) days of Placer's receipt of the invoice. If Placer fails to send the Life360 Fee Report within 15 days of the end of each calendar month, Life360, in its sole discretion, will calculate the fees owed in a manner consistent with this Agreement, and such amount shall be paid no later than twenty (20) days following Placer's receipt of the invoice. Placer will further pay Expenses due to Life360 within thirty (30) days of receiving an invoice and statement of Expenses from Life360. If this Agreement is terminated, all undisputed Fees and Expenses due at the time of termination shall be paid within thirty (30) days of the effective date of termination. Placer shall pay taxes, fees, and similar governmental charges, if any, the amount of which must be set forth in the Cover Sheet, related to the execution or performance of this Agreement, other than taxes on Life360's net income. Should Placer fail to pay Life360 Fees by the deadlines set forth herein, and fail to cure within seven (7) calendar days after receiving written notice from Life360 of such missed deadline, Life360 shall have the immediate right to terminate this Agreement, in addition to all rights and remedies available to it under the law and this Agreement.

ii. Life360 will pay the Placer Fees owed in accordance with this Agreement on a calendar monthly basis, with payment to made within thirty (30) days of the end of each calendar month.

iii. All amounts due under this Agreement are denominated in, and shall be paid in, U.S. Dollars.

iv. Within seven (7) business days of issuing an invoice to which Placer is entitled to a credit under Attachment H, Life360 will issue a credit memo to Placer.

v. The parties will use commercially reasonable efforts to expeditiously resolve any disputes concerning amounts due pursuant to this Section 5.

b. **Audits**. Audits may be performed, and shall be at Life360's sole expense, except as set forth below. Any audit shall be performed by an independent auditor not compensated on a contingency-fee basis (the "***Auditor***") and shall be subject to the terms of a confidentiality agreement reasonably acceptable to Placer. Any information made available, known and/or acquired during the course of such audit shall be treated as Confidential Information that is proprietary to Placer and subject to the confidentiality obligations under this Agreement. If, as a result of such audit, Life360 discovers an error of more than the Threshold Amount, Placer will reimburse Life360 for the expenses of the Auditor. "***Threshold Amount***" means the greater of (A) [***] or (B) [***] for the relevant period.

6. Term and Termination

a. **Term**. This Agreement shall start on the Effective Date and continue for a period of three (3) years following the Fully Exclusive Date (as defined in Attachment D) (the "***Initial Term***") unless earlier terminated as provided herein, and shall automatically renew for successive one (1) year terms (each, a "***Renewal Term***") solely in the event that either party gives written notice of such party's intent to renew ("***Renewal Notice***") at least [***] days prior to the start of any Renewal Term and the recipient of such Renewal Notice either:

(A) by written notice confirms the renewal, or

(B) does not by written notice to the other party indicate its intent not to renew within [***] days of receipt of a Renewal Notice.

(the foregoing period shall be referred to as the "***Term***"). For clarity, during said [***] day period, (i) so long as the recipient of the Renewal Notice has not by written notice confirmed the renewal, the party that provided the Renewal Notice can withdraw the Renewal Notice immediately at any time; and (ii) if the other party rejects such Renewal Notice, the Agreement shall expire at the end of the Term.

b. **Termination**. Neither party may terminate this Agreement for convenience. Except as otherwise set forth herein, either party may terminate this Agreement effective immediately if the other party is in material breach of any obligation, representation or warranty under this Agreement and fails to cure such material breach (if capable of cure) within forty-five (45) days after receiving written notice specifying the nature of the breach from the non-breaching party (any such termination, a "***Termination for Breach***"). Either party may immediately terminate this Agreement upon written notice at any time if (i) the other party files

a petition for bankruptcy or is adjudicated as bankrupt, (ii) a petition in bankruptcy is filed against the other party and such petition is not removed or resolved within sixty (60) calendar days, (iii) the other party makes an assignment for the benefit of its creditors or an arrangement for its creditors pursuant to bankruptcy law, (iv) the other party discontinues its business, (v) a receiver is appointed over all or substantially all of the other party's assets or business, or (vi) the other party is dissolved or liquidated or otherwise ceases to function as a going concern (any such termination, a "Solvency Termination"). Each party, as applicable, may terminate this Agreement by [***] (as defined in Attachment D).

c. **[***].**

i. [***]

ii. [***]

iii. [***]

iv. If Life360 terminates this Agreement pursuant to Section 2.d.iii or Section 6.c.i, and such termination is not a Permitted Termination, then: (A) if such termination takes effect prior to the first anniversary of the Fully Exclusive Date, then Life360 shall promptly pay Placer an early termination fee equal to ten million dollars ($10,000,000); and (B) if such termination takes place at any time thereafter, then Life360 shall promptly pay Placer an early termination fee equal to five million dollars ($5,000,000).

d. **Effect of Termination**. In the event that this Agreement expires or is terminated for any reason, Sections [***], together with the relevant portions of the Attachments shall survive expiration or termination of this Agreement. [***], in the event of the termination of this Agreement, Section 3.d shall survive until the earlier of: (i) the date on which the Initial Term or the then-current Renewal Term would have ended absent the early termination of this Agreement; and (ii) the date on which Life360 terminates the Agreement pursuant to Section 6.b for Placer's uncured material breach or a Solvency Termination by Life360. Any termination of this Agreement other than a Permitted Termination, [***] shall be deemed a "***Premature Termination***".

e. Willful Refusal or Frustration. The following, each a "***Willful Refusal***," are hereby deemed a material breach of this Agreement: [***].

7. Representations and Warranties and Covenants

a. Each party represents, warrants and covenants to the other party that (a) it has the full power and authority to enter into and perform fully this Agreement, (b) the execution of this Agreement and the performance of its obligations under this Agreement do not violate any other agreement to which it is a party, and (c) the person signing this Agreement on such party's behalf has been duly authorized and empowered to enter into this Agreement and this Agreement constitutes a legal, valid and binding obligation when executed and delivered. Each party shall comply with all applicable Laws, and shall at its sole expense obtain and maintain the governmental authorizations, registrations and filings required by any jurisdiction in connection with the execution or performance of this Agreement.

b. Life360 represents, warrants and covenants to Placer that it has, and will continue to have, all rights to Life360 Data needed to perform its obligations and to grant Placer the rights granted under this Agreement; and to Life360's knowledge, Life360 Data is free of infection from any viruses or other code or computer programming routines that contain contaminating or destructive properties or that will damage, surreptitiously intercept or expropriate any system, data or information. Further, Life360 represents, warrants and covenants that:

i. [***].

ii. [***]

iii. [***]

c. Placer represents, warrants and covenants that:

i. [***]

ii. [***]

8. Confidentiality

a. **Definition**. "***Confidential Information***" means any and all information that is disclosed by either party to the other party, either directly or indirectly, in writing, orally or by inspection of tangible objects, that if disclosed in writing or tangible form is marked as "Confidential" or with some similar designation, or if disclosed orally, is identified as being proprietary and/or confidential at the time of disclosure, or that under the circumstances and nature of the information should reasonably deemed to be confidential (including without limitation the existence and terms of this Agreement, which is Confidential Information of both parties). Without limiting the foregoing and regardless of whether identified as being proprietary and/or confidential, Confidential Information of Life360 includes without limitation Life360 Data.

b. **Use and Disclosure Restrictions**. Each party shall not use the other party's Confidential Information except as necessary to exercise its rights or perform its obligations under this Agreement, or as expressly permitted by this Agreement. Each party shall not disclose the other party's Confidential Information to any third party, and shall only disclose such Confidential Information to those of its employees, contractors and agents that need to know such Confidential Information for the purposes of this Agreement, provided that each such employee, contractor or agent is subject to a written agreement that includes binding use and disclosure restrictions that are at least as protective of Confidential Information as those set

forth in this Agreement. Each party will use all reasonable efforts to maintain the confidentiality of all Confidential Information of the other party in its possession or control, but in no event less than reasonable care. The foregoing obligations will not restrict either party from disclosing Confidential Information of the other party (i) pursuant to the order or requirement of a court, administrative agency, or other governmental body, provided that the party required to make such a disclosure gives reasonable notice to the other party to contest such order or requirement and cooperates with the disclosing party, at the disclosing party's request and expense, in any lawful action to contest or limit the scope of such required disclosure or (ii) on an as-needed, confidential basis to its legal or financial advisors. Without limiting the restrictions set forth in Section 2, the foregoing obligations will not apply to any information that the receiving party can demonstrate with competent evidence (i) is or becomes generally known to the public through no fault of or breach of this Agreement by the receiving party, (ii) was rightfully known by the receiving party at the time of disclosure without an obligation of confidentiality as shown by the contemporaneous records of the receiving party, (iii) is independently developed by the receiving party without use of, reference, or access to the disclosing party's Confidential Information as shown by the written records of the receiving party, or (iv) the receiving party rightfully obtains from a third party that had the right to make such disclosure without an obligation of confidentiality.

c. [***]

d. **Return of Confidential Information**. The receiving party will return to the disclosing party or destroy all Confidential Information of the disclosing party in the receiving party's possession or control and permanently erase all electronic copies of such Confidential Information promptly upon the written request of the disclosing party or upon the expiration or termination of the Agreement. Upon request of the disclosing party, the receiving party will certify in writing signed by an officer of the receiving party that it has fully complied with its obligations under this Section 8.d.

e. **Injunctive Relief**. The parties agree that any breach of this Section 8 will cause irreparable harm to the disclosing party for which monetary damages will be inadequate. Accordingly, the disclosing party will be entitled to seek and, if granted, obtain and enforce injunctive or other equitable relief (in addition to any other remedies available to it) to remedy any threatened or actual breach of this Section 8.

f. **Confidential Treatment Request**. If either party is required to file or disclose this Agreement or any portion thereof with the United States Securities and Exchange Commission (the "***SEC***") or any other governmental authority (whether in the U.S. or otherwise), Life360 will give Placer advance notice and an opportunity to comment on the materials being disclosed. Each party shall use its commercially reasonable efforts to procure confidential treatment of the Agreement or relevant provisions thereof pursuant to the Securities Act of 1933 or the Securities Exchange Act of 1934 (or foreign equivalent), in each case as amended, and the rules, regulations and guidelines promulgated thereunder, or any laws and regulations (whether in the U.S. or otherwise). Each party shall use its commercially reasonable efforts to procure confidential treatment for such portions of the Agreement as may be reasonably requested in a timely manner by the other party.

g. Notwithstanding anything to the contrary in this Agreement, nothing in this Section 8 restricts rights otherwise granted under this Agreement.

9. Indemnification

a. **Indemnification by Life360**. Life360 shall indemnify, defend and hold Placer and its directors, officers, employees and Affiliates (each an "***Placer Indemnified Party***") harmless from and against any damages, losses, liabilities, judgments, costs and expenses (including reasonable attorneys' fees) arising out of or relating to any third-party claim or action arising from [***]. As used in this Agreement, "***Affiliate***" means, as to any entity, any other entity directly or indirectly controlling, controlled by, or under common control with, such entity.

b. **Procedure for Indemnification by Life360**. Placer shall (i) promptly notify Life360 in writing of any claim implicating the foregoing indemnification obligations, (ii) grant Life360 sole control of the defense and/or settlement of the claim, provided, however, that Life360 must not settle any claim that does not unconditionally release Placer or that imposes non-monetary obligations, without Placer's prior written consent, and (iii) provide Life360, at Life360's expense, with all assistance, information and authority reasonably required for the defense and/or settlement of the claim. Placer may at its election and expense participate in the defense of any action.

c. **Indemnification by Placer**. Placer shall indemnify, defend and hold Life360 and its directors, officers, employees and Affiliates (each a "***Life360 Indemnified Party***") harmless from and against any damages, losses, liabilities, judgments, costs and expenses (including reasonable attorneys' fees) arising out of or relating to any third-party claim or action arising from [***].

d. **Procedure for Indemnification by Placer**. Life360 shall (i) promptly notify Placer in writing of any claim implicating the foregoing indemnification obligations, (ii) grant Placer sole control of the defense and/or settlement of the claim, provided, however, that Placer must not settle any claim that does not unconditionally release Life360 or that imposes non-monetary obligations, without Life360's prior written consent, and (iii) provide Placer, at Placer's expense, with all assistance, information and authority reasonably required for the defense and/or settlement of the claim. Life360 may at its election and expense participate in the defense of any action.

10. Disclaimers and Limitation of Liability

a. **Disclaimers**. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, EACH PARTY HEREBY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES REGARDING THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, NONINFRINGEMENT, TITLE, FITNESS FOR A PARTICULAR PURPOSE, AND IMPLIED WARRANTIES ARISING FROM COURSE OF DEALING OR PERFORMANCE. EACH PARTY ACKNOWLEDGES THAT IT HAS RELIED ON NO REPRESENTATIONS OR WARRANTIES OTHER THAN THE EXPRESS WARRANTIES IN THIS AGREEMENT.

b. **Limitation of Liability**. EXCEPT FOR A PARTY'S CONFIDENTIALITY OR INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, OR BREACH THEROF, FRAUD OR WILLFUL MISCONDUCT, LIQUIDATED DAMAGES DUE UNDER THIS AGREEMENT, A WILLFUL REFUSAL OFEITHER PARTY, OR A PARTY'S WRONGFUL TERMINATION OF THE AGREEMENT, IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, EXEMPLARY, SPECIAL OR INCIDENTAL DAMAGES, INCLUDING WITHOUT LIMITATION ANY DAMAGES RELATING TO LOST DATA AND/OR LOST PROFITS, ARISING FROM OR RELATING TO THE THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT OR OTHERWISE, EVEN IF SUCH PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EXCEPT FOR A PARTY'S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, OR BREACH THEROF, FRAUD OR WILLFUL MISCONDUCT, LIQUIDATED DAMAGES DUE UNDER THIS AGREEMENT, A WILLFUL REFUSAL OFEITHER PARTY, OR A PARTY'S WRONGFUL TERMINATION OF THE AGREEMENT, EACH PARTY'S TOTAL CUMULATIVE LIABILITY IN CONNECTION WITH THIS AGREEMENT (INCLUDING WITH RESPECT TO THE LIQUIDATED DAMAGES DUE UNDER THIS AGREEMENT) SHALL NOT EXCEED AN AMOUNTS PAID OR PAYABLE IN THE TWELVE MONTHS PRECEDING THE CIRCUMSTANCES THAT GAVE RISE TO THE CLAIM AT ISSUE OR IF DURNG THE FIRST YEAR FOLLOWING THE EFFECTIVE DATE $20 MILLION. THE EXISTENCE OF MORE THAN ONE CLAIM SHALL NOT ENLARGE THIS AMOUNT. THE LIMITATION OF LIABILITY SET FORTH IN THIS SECTION WILL APPLY EVEN IF ANY LIMITED REMEDY SPECIFIED IN THIS AGREEMENT IS FOUND TO HAVE FAILED OF ITS ESSENTIAL PURPOSE. EACH PARTY ACKNOWLEDGES AND AGREES THAT THIS SECTION 10.b IS AN ESSENTIAL ELEMENT OF THE AGREEMENT AND THAT, IN ITS ABSENCE, THE ECONOMIC TERMS OF THIS AGREEMENT WOULD BE SUBSTANTIALLY DIFFERENT.

11. **Ownership**. Subject to the rights expressly granted pursuant to this Agreement, as between Life360 and Placer: (a) Life360 owns all right, title, and interest in and to (i) the Life360 Property, [***]; and (b) Placer owns all right, title and interest in and to (i) the Placer Property, [***] .

12. **Marketing**. Joint press releases or other communications must be mutually approved in advance by Life360 and Placer. Unilateral references or other non-press related communications by a party such as social media, newsletters, websites, presentations, blogs and other methods that may be relevant from time to time, in which the other party's name and/or logo appears, shall require the other party's prior written consent which shall not be unreasonably withheld. Notwithstanding any other provisions, Life360 shall not use any trade name, trademark, service mark, logo, commercial symbol, or any other proprietary rights of Placer or any of its Affiliates in any manner (including any use in press release, advertisement, or any other marketing, promotional, or publicly available materials) without specific prior written authorization of each instance of such use by an officer of Placer with a title of Vice President or higher unless compelled by applicable law.

13. **Miscellaneous**.

a. **Relationship of the Parties**. The parties are independent contractors with respect to one other. This Agreement does not create and shall not be construed as creating a partnership, joint venture, or employment relationship between the parties. Neither party shall have, and shall not represent to any third party that it has, any right to obligate or bind the other party in any manner whatsoever. Nothing in this Agreement shall give, or is intended to give, any rights of any kind to any third party.

b. **Assignment**. Neither party may transfer or assign to any third party any of its rights or obligations under this Agreement (and, in the case of Placer as assignor, any Life360 Data), whether by operation of law or otherwise, without the prior express written consent of the other party (not to be unreasonably withheld). Each party shall notify the other party in writing at least fifteen (15) days prior to undergoing a merger, acquisition, change of Control, or sale of all or substantially all of its assets or business to which this Agreement relates (collectively, a "***Change of Control***"). If either Party notifies the other Party that it will undergo a Change of Control to a successor that the party not undergoing the Change of Control reasonably believes in good faith, based on the past conduct of such entity, (i) would be likely to materially, and intentionally or as a result of gross negligence, misuse or mishandle the Life360 Data or Placer Property; (ii) is a bona fide competitor of the party not undergoing the Change of Control; or (iii) that the Change of Control would have a material and detrimental impact on the reputation of the party not undergoing the Change of Control, then, in each case of (i) through (iii), the party not undergoing the Change of Control may terminate this Agreement by giving written notice of termination to the party undergoing the Change of Control within thirty (30) days after receiving the notification described in the immediately foregoing sentence. This Agreement otherwise inures to the benefit of and shall be binding on the parties' permitted assignees, transferees and successors. For the purposes of this Section 13.b, "***Control***" means, with respect to an entity: (1) to possess, directly or indirectly, the power to direct affirmatively the management and policies of such entity, whether through ownership of voting securities or by contract relating to voting rights or corporate governance; or (2) ownership of more than 50% of the voting securities in such entity. A termination pursuant to the immediately foregoing sentence shall be deemed a Permitted Termination. For the avoidance of doubt, a reorganization or assignment to an Affiliate shall not be deemed a Change of Control.

c. **Waiver**. A waiver of any provision of this Agreement will only be valid if provided in writing and will only be applicable to the specific instance and occurrence so waived. The failure by either party to insist upon the strict performance of this Agreement, or to exercise any term hereof, will not act as a waiver of any right, promise or term herein. Any delay in the performance of any duties or obligations of either party (except the payment of money owed) will not be considered a breach of this Agreement if such delay is caused by a labor dispute, shortage of materials, fire, earthquake, flood, or any other event beyond the control of such party, provided that such party uses reasonable efforts, under the circumstances, to notify the other party of the circumstances causing the delay and to resume performance as soon as possible.

d. **Construction**. Section headings are for reference purposes only and should not be used in the interpretation of this Agreement. No provision of this Agreement will be construed against either party as the drafter thereof. Each party has had the opportunity to consult with counsel in the negotiation of this Agreement. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, such determination will not impair or affect the validity, legality or enforceability of the remaining provisions of this Agreement, and such provision will be changed and interpreted to accomplish the objectives of such provision to the greatest extent possible under applicable law.

e. **Notices**. All notices and other communications required or permitted to be given under this Agreement shall be given in writing. Notices to Placer shall be sent to Placer Labs Inc., 340 Lemon Avenue #1277, Walnut, CA 91789, [***]. Notices to Life360 shall be sent to Life360 Inc., 539 Bryant Street, Suite 402, San Francisco CA 94107, [***]. Notices shall be sent by certified mail, delivered by a nationally recognized courier service, delivered by hand, or sent by email, and are deemed to have been received when they are delivered by courier, hand delivered, or emailed, or five business days after the date of mailing. Either party may change its address by giving notice of the new address to the other party in writing.

f. **Governing Law; Venue**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California, without reference to conflicts of laws principles that would require the application of the laws of a different jurisdiction. The parties agree that the federal and state courts in California will have exclusive jurisdiction and venue under this Agreement, and each party irrevocably submits to such jurisdiction exclusively and the parties hereby waive all defenses based upon forum nonconveniens, improper venue, or personal jurisdiction. The United Nations Convention on Contracts for the International Sale of Goods will not apply to the Agreement. If a dispute arising under this Agreement results in litigation, the non-prevailing party shall pay the court costs and reasonable attorneys' fees of the prevailing party. Notwithstanding anything to the contrary in

this Agreement, either party has the right to apply to any court of competent jurisdiction for provisional relief, including pre-trial attachments, a temporary restraining order, temporary injunction, permanent injunction and/or order of specific performance, without posting a bond, as may appear reasonably necessary to protect its Confidential Information or its proprietary rights.

g. **Entire Agreement and Language**. This Agreement, including the Cover Sheet and any exhibits attached hereto or incorporated herein, constitutes the entire understanding between the parties concerning the subject matter hereof and supersedes all prior and/or contemporaneous discussions, contracts and representations, whether oral or written and whether or not executed by Placer and Life360. This Agreement or any part or provision hereof shall not be deemed waived, amended, or modified by either party unless such waiver, amendment or modification is in writing and executed by authorized representatives of both parties. This Agreement shall be executed in English and any other language versions shall be for convenience only.

h. **Counterparts**. This Agreement may be executed in counterparts, each of which will be considered an original and all of which together will constitute the same instrument, and may be executed by facsimile or electronic signature.

i. **Force Majeure**. Neither party shall be responsible for the delay in performance or failure to perform any of its obligations in the Agreement, if the delay or failure results from a Force Majeure and the effect therefrom. "***Force Majeure***" means: natural catastrophes such as earthquake, volcano eruption, and tsunami, epidemic, pandemic, war, invasion, act of terrorism, riot or civil unrest, labor strike, embargoes, telecommunications or internet failures. Each party, as applicable, shall endeavor to continue to perform its obligations as soon as practicable.

j. [***]

ATTACHMENT B

Data Types

[***]

ATTACHMENT C

DPS Covenants and Services

[***]

ATTACHMENT C-1

[***]

ATTACHMENT C-2

[***]

ATTACHMENT D

FEES

Life360 Fees:

Placer shall pay Life360 as follows:

a. During the Term, on the Effective Date and on the same date of each month thereafter until the first day of calendar month after the calendar month in which Exclusivity Payment Date occurs (the "***Fully Exclusive Date***"), Placer shall pay Life360 a flat fee of $[***] per month. "***Exclusivity Payment Date***" means the earlier of: (i) the date on which all Pre-existing Agreements have been terminated; and (ii) the date that is ninety-three (93) days after the Effective Date.

b. During the Term, starting after the Fully Exclusive Date and after the first day each calendar month thereafter, Placer shall pay Life360 a flat fee of $[***] in accordance with Section 5 of this Agreement.

c. [***]

Placer Fees:

Commencing on the Fully Exclusive Date, and assuming the Placer Data Processing Services are ready to be provided to Life360 on that date, Life360 shall pay Placer $[***] on a calendar monthly basis, with payment to made within thirty (30) days of the end of each calendar month for the Placer Services.

ATTACHMENT E

[***]

ATTACHMENT F

Placer Analytics Platform - ORDER FORM

Analytics to be provided by Placer to Life360:

- Access, via Placer's Platform, to reports, including Visits, Trade Areas, Customer Journey, Customer Insights, Dwell Times, and Visitation by Hour/Day
- Actionable insights include:
  - Accurate foot traffic counts and dwell time
  - True Trade Areas displaying frequent-visitors-density by home and work locations
  - Customers' demographics, interests, and time spent at relevant locations
  - Where customers are coming from and going to, and the routes they take
  - Benchmarking of Foot Traffic, Market Share, Audiences, and other key metrics
  - Competitive insights
  - Void Analysis Reports
- Premier Customer Support
  - Regular meetings with Placer's Customer Success Team
  - Live, Virtual Training support as reasonably needed
- Provide ad-hoc insights services to Life360, for PR purposes.
  - Examples of insights and analytics include:
    - The ability to see how commutes change by major metro region (e.g., how the average time between leaving home and arriving at work is changing day by day);
    - Key statistics on overall movement behavior (e.g., where families are spending their time, such as going to sporting events, staying at home socializing, going to movies etc.).

Full access and use of future services and features to the extent they are provided to the existing customers of Placer for no additional fee (the "***Basic Package***"). For clarity, certain potential future features, such as incorporating 3rd party components, may be provided to existing customers for an additional fee, and they are excluded from the Basic Package.

Without limiting the terms of the Agreement, including Section 3.d, the Aggregated Data made available to Life360 through the Placer Analytics Platform are the data, information and materials described above and shall be referred to as "***Placer Provided Aggregated Data***. Subject to Section 3.d, Life360 may use Placer Provided Aggregated Data solely for the following purposes: (a) Life360 may use Placer Provided Aggregated Data for Life360's internal business purposes, including development of its products and services, to incorporate in features within its app, to display to its users and for marketing, advertising and PR purposes; and (b) Life360 may incorporate Placer Provided Aggregated Data into Research Data, as described and subject to the restrictions below.

"***Research Data***" means datasets and other materials created by Life360 that result in any part from Life360's use of Placer Provided Aggregated Data. Life360 may share Research Data with current and potential Life360 customers, and in marketing materials; provided that Life360 shall cite Placer as a provider of such information. Life360 shall not, directly or indirectly, resell, distribute, sublicense, display or otherwise provide Placer Provided Aggregated Data to any third parties, except that Life360 may display Placer Provided Aggregated Data as part of Research Data.

Use of Placer Provided Aggregated Data is governed by, and Life360 and Placer agree to, the License Agreement located at https://www.placer.ai/placer-license-agreement ("***Placer Analytics Platform Access License Agreement***"). Unless otherwise defined herein, capitalized terms herein have the same meaning as in said Placer Analytics Platform Access License Agreement.

ATTACHMENT G

DELIVERY AND INFORMATION SECURITY TERMS

[***]

ATTACHMENT H

Permitted Exclusions

This Attachment H is attached to, and made part of, this Agreement.

1. "***Permitted Exclusions***" means: (A) Life360's agreement(s) to provide Restricted Data to Arity 875, LLC ("***Arity***") [***]; (B) [***]; (C) [***]; and (D) [***]:

   [***]

2. [***]

3. [***]

4. [***]

5. [***]

6. [***]

7. [***]

8. [***]

9. Life360 shall use commercially reasonable efforts to notify Placer in writing as expeditiously as possible (but in no event more than seventy-two (72) hours) after becoming aware of its material breach of the exclusivity requirements in Section 3.d (and including this Attachment H). If Life360 breaches its exclusivity requirements in Section 3.d (and including this Attachment H) and fails to cure such breach within thirty (30) days of receiving notice of the same from Placer, Life360 will pay Placer liquidated damages in the amount of twenty million dollars ($20,000,000). The parties intend that the liquidated damages constitute compensation, and not a penalty. The parties acknowledge and agree that Placer's harm caused by a breach by Life360 of the exclusivity provisions would be impossible or very difficult to accurately estimate as of the Effective Date, and that the liquidated damages are a reasonable estimate of the anticipated or actual harm, including any non-direct damages.

ATTACHMENT I

Form of Attestation

[***]

Exhibit 10.14

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. SUCH EXCLUDED INFORMATION HAS BEEN MARKED WITH "[***]."

AMENDMENT NO. 1
TO
DATA SERVICES AND LICENSE AGREEMENT

Reference is made to the Data Services and License Agreement (the "**Agreement**"), effective as of January 26, 2022, by and between Life360, Inc., a Delaware corporation ("**Life360**"), and Placer Labs Inc., a Delaware corporation ("**Placer**"). Unless otherwise defined, capitalized terms herein have the same meaning as in the Agreement.

This AMENDMENT NO. 1 TO DATA SERVICES AND LICENSE AGREEMENT (this "**Amendment**") is entered into by and between the parties as of May ____, 2022.

WHEREAS: The parties have been operating under the Agreement, and now desire to amend and modify certain provisions therein.

NOW, THEREFORE: Notwithstanding any other provisions in the Agreement, the parties agree, and the Agreement is accordingly amended and modified, as follows:

1. Section 2(f) of Attachment A of the Agreement is amended to add the following sub-sections (ii) and (iii):

[***]

[***]

2. In the event of any conflict between the Agreement and this Amendment, the provisions in this Amendment shall control. In all other respects, the Agreement shall remain in full force and effect.

3. This Amendment shall be governed by, and construed in accordance with, the laws of the State of California, without reference to conflicts of laws principles that would require the application of the laws of a different jurisdiction.

4. This Amendment may be executed in counterparts, each of which will be considered an original and all of which together will constitute the same instrument, and may be executed by facsimile or electronic signature.

"**Placer**"

Placer Labs Inc.

By: /s/ Noam Ben-Zvi
Name: Noam Ben-Zvi
Title: CEO

"**Life360**"

Life360, Inc.

By: /s/ Itamar Novick
Name: Itamar Novick
Title: Chief Business Officer

Exhibit 10.18

CONFIDENTIAL

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. SUCH EXCLUDED INFORMATION HAS BEEN MARKED WITH "[***]."

MANUFACTURING SERVICES AGREEMENT

between

JABIL CIRCUIT, INC.

and

TILE INC.

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MANUFACTURING SERVICES AGREEMENT

This Manufacturing Agreement ("Agreement") is entered into by and between Jabil Circuit, Inc., a Delaware corporation, having offices at 10560 Dr. M.L. King Jr. Street North St. Petersburg, Florida 33716 and Jabil Circuit (Singapore) Pte. Ltd. ("Jabil Singapore") having its principal place of business at 16 Tampines Crescent, Singapore 528604 (collectively referred to as "Jabil"), and Tile, Inc. a Delaware corporation ("Company"), having its principal place of business at 2121 S El Camino Real Suite 900, San Mateo, California 94403. Jabil and Company are referred to herein as "Party" or "Parties".

RECITALS

A. Jabil is in the business of designing, developing, manufacturing, testing, configuring, assembling, packaging and shipping electronic assemblies and systems.

B. Company is in the business of designing, developing, distributing, marketing and selling products containing electronic assemblies and systems.

C. Whereas, the Parties desire that Jabil manufacture, test, configure, assemble, package and/or ship certain electronic assemblies and systems pursuant to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

TERMS

1. Definitions. In addition to terms defined elsewhere in this Agreement, the capitalized terms set forth below shall have the following meaning:

1.1. "**Affiliate**" means with respect to a Person, any other Person which directly or indirectly controls, or is controlled by, or is under common control with, the specified Person. For purposes of the preceding sentence, "control" of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, or direct or indirect ownership (beneficially or of record) of, or direct or indirect power to vote, 50% or more of the outstanding shares of any class of capital stock of such Person (or in the case of a Person that is not a corporation, 50% or more of any class of equity interest).

1.2. "**Build Schedule**" means a manufacturing schedule provided to Jabil by Company in writing which specifies the Product to be manufactured, including the quantity of each Product, its description and part number, shipping instructions and requested delivery date.

1.3. "**Build Schedule Forecast**" means the monthly forecast provided to Jabil by Company, in writing, of quantity requirements of each Product that Company anticipates requiring during the next twelve (12) month period.

1.4. "**Commercially Reasonable Efforts**" means diligent, good-faith efforts that would be deemed both commercially practicable and reasonably financially prudent after having taken into account all relevant commercial considerations. Relevant commercial considerations shall be deemed to include, without limitation: (1) all pertinent facts and circumstances; (2) financial costs; (3) resource availability and impact; (4) probability of success; and (5) other commercial practicalities.

1.5. "**Components**" means those components, parts or materials to be incorporated into the Product.

1.6. "**EDI**" shall mean electronic data interchange.

1.7. "**Effective Date**" shall mean the date upon which the terms and conditions of this Agreement shall become effective by and between the Parties. The Parties have agreed that the Effective Date of this Agreement shall be the 8th day of March, 2017.

1.8. "**Epidemic Failure**" shall mean the repeat of the same or substantially same failure of a Product caused by a Defect and not due to normal wear and tear and which is present in at least five percent (5%) (with a minimum of 100 failures) of consecutively delivered Products shipped to Company over a rolling ninety (90) day period within the Warranty Period.

1.9. "**Fee and Price Schedule**" shall mean the prices and fees set forth Schedule 1.

1.10. "**FCA**" means Free Carrier at Supplier's facility per INCOTERMS 2010. For FCA terms, Jabil will utilize the carriers or forwarder provided in Company's shipping guidelines for the transit from Jabil's facility to the Company's receiving dock.

1.11. "**including**" shall be defined to have the meaning "including, without limitation."

1.12. "**in writing**" shall mean written documents, EDI with phone confirmation, verified faxes and successfully transmitted e-mails.

1.13. "**Jabil Circuit, Inc.**" and "**Jabil**" shall be defined to include any Jabil Subsidiary.

1.14. "**Jabil Created Intellectual Property**" means any discoveries, inventions, technical information, procedures, manufacturing, testing, assembly or other processes, software, firmware, technology, know-how or other intellectual property rights newly created or developed, and reduced to practice by or for Jabil in (i) preparing any Product provided pursuant to this Agreement, or (ii) performing the Manufacturing Services or any other work provided pursuant to this Agreement; but shall not include any Jabil Existing Intellectual Property or Jabil Manufacturing Process.

1.15. "**Jabil Existing Intellectual Property**" means any discoveries, inventions, technical information, procedures, manufacturing or other processes, software, firmware, technology, know-how or other intellectual property rights owned or developed by Jabil outside of this Agreement or owned or controlled by Jabil prior to the execution of this Agreement that are used by Jabil in creating, or are embodied within, any Product, the Manufacturing Services or other work performed under this Agreement and all improvements, modifications or enhancements to the foregoing made by or on behalf of Jabil.

1.16. "**Jabil Intellectual Property**" shall mean both Jabil Created Intellectual Property and Jabil Existing Intellectual Property and Jabil Manufacturing Process collectively.

1.17. "**Jabil Manufacturing Process**" means Jabil's methods and processes employed to manufacture, test, configure and/or assemble Product manufactured for Company pursuant to the terms of this Agreement and all improvements, modifications or enhancements to the foregoing made by or on behalf of Jabil.

1.18. "**Lead-time**" means the mutually agreed upon minimum amount of time in advance of shipment that Jabil must receive a Build Schedule in order to deliver Product by the requested delivery date.

1.19. "**Loaned Equipment**" means capital equipment (including tools) which is loaned to Jabil by or on behalf of Company to be used by Jabil to perform the Manufacturing Services and includes all equipment, tools and fixtures purchased specifically for Company, by Jabil, to perform the Manufacturing Services and that are paid for in full by Company.

1.20. "**Manufacturing Services**" means the services performed by Jabil hereunder which shall include but not be limited to manufacturing, testing, configuring, assembling, packaging and/or shipping of the Product, including any Additional Services, all in accordance with the Specifications.

1.21. "**Materials Declaration Requirements**" means any requirements, obligations, standards, duties or responsibilities pursuant to any environmental, product composition, ecodesign (Directive 2009/125/EC), energy use, energy efficiency and/or materials declaration laws, directives, or regulations, including international laws and treaties regarding such subject matter; and any regulations, interpretive guidance or enforcement policies related to any of the foregoing, including for example: Directive 2002/95/EC and Directive 2011/65/EU of the European Parliament and of the Council of 27 January 2003 on the restriction of the use of certain hazardous substances in electrical and electronic equipment ("RoHS"), Directive 2012/19/EU of the European Parliament and of the Council of 27 January 2003 on waste electrical and electronic equipment ("WEEE"), Directive 2009/15/EC of the European Parliament and of the Council of 2l October 2009 establishing a framework for the setting or ecodesign requirements for energy-related products (and applicable implementing measures thereunder) and European Union Member State implementations of the foregoing, or similar laws in Switzerland or the European Economic Area; Regulation (EC) No. 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH"); the People's Republic of China (PRC) Measures for the Administration of the Control of Pollution by Electronic Information Products (**********) promulgated on February 28, 2006 (including any pre-market certification ("CCC mark") requirements thereunder and including relevant standards adopted by the PRC Ministry of Information Industry or other applicable PRC authority); PRC General Administration of Quality Supervision, Inspection and Quarantine's Circular 441 (2006); Japanese Industrial Standard, C0950:2005; the California Electronic Waste Recycling Act of 2003; and/or other similar legislation; each of which as may be amended or updated from time to time.

1.22. "**NRE Costs**" shall consist of expenses that are agreed upon by the parties in writing and then incurred by Jabil under this Agreement, including design engineering services, testing, fixturing and tooling and other out-of-pocket costs.

1.23. "**Packaging and Shipping Specifications**" means the packaging and shipping specifications set forth in Schedule 1 and otherwise supplied and/or approved by Company.

1.24. "**Person**" means any corporation, business entity, natural person, firm, joint venture, limited or general partnership, limited liability entity, limited liability partnership, trust, unincorporated organization, association, government, or any department or agency of any government.

1.25. "**Product(s)**" means the product(s) manufactured and-assembled by Jabil on behalf of Company under this Agreement as identified in Schedule 1 (or any subsequent Schedule 1 prepared for any product to be manufactured hereunder) including any updates, renewals, modifications or amendments thereto.

1.26. "**Proprietary Information and Technology**" means software, firmware, hardware, technology and know-how and other proprietary information or intellectual property embodied therein that is known, owned or licensed by and proprietary to either Party and not generally available to the public, including plans, analyses, trade secrets, patent rights, copyrights, trademarks, inventions, fees and pricing information, operating procedures, procedure manuals, processes, methods, computer applications, programs and designs, and any processed or collected data. The failure to label any of the foregoing as "confidential" or "proprietary" shall not mean it is not Proprietary Information and Technology.

1.27. "**Specifications**" means the technical specifications (including for manufacturing) set forth in Schedule l and otherwise supplied and/or approved by Company, Specifications may be amended from time to time by amendments in the form of written engineering change orders agreed to by the Parties.

1.28. "**SOW**" means the statement of work for each Product set forth in any Schedule 1 as amended in writing from time to time upon mutual agreement of the Parties.

1.29. "**Subsidiary(ies)**" means any corporation, partnership, joint venture, limited liability entity, trust, association or other business entity of which a Party or one or more of its Subsidiaries, owns or controls more than 50% of the voting power for the election of directors, managers, partners, trustees or similar parties.

1.30. "**Test Procedures**" means the testing specifications, standards, procedures and parameters set forth in Schedule 1 and otherwise supplied and/or approved by Company.

1.31. "**Unique Components**" means those non-standard components or materials procured exclusively for incorporation into the Product.

2. List of Schedules. Statement of Work and/or Specifications.

3. Build Schedule Forecasts. Within ten (10) business days following the execution of this Agreement, Company shall provide Jabil with a Build Schedule Forecast. The Build Schedule Forecast shall be updated by Company, in writing, on at least a monthly basis, Company and Jabil acknowledge and agree that Build Schedule Forecasts do not constitute a binding order or commitment of any kind by Company to purchase Products. Any rescheduling or cancellation of accepted Build Schedules shall be subject to the terms set forth in Section 10.6.

4. Manufacturing Services. Jabil will manufacture, test, configure, assemble, package and ship the Product in accordance with the Specifications and any applicable Build Schedules. Jabil will reply to each proposed Build Schedule that is submitted in accordance with the terms of this Agreement by notifying Company of its acceptance or rejection in writing within three (3) business days of receipt of any proposed Build Schedule; [***] In the event of Jabil's rejection of a proposed Build Schedule, Jabil's notice of rejection will specify the basis for such rejection. If Jabil fails to acknowledge a Build Schedule within the ten (10) day notice period above, the Build Schedule will be deemed accepted in accordance with its terms.

4.1. Testing. Jabil will be responsible for testing of the Product in accordance with the Test Procedures as agreed in the Specifications. Company shall be solely responsible for the sufficiency and adequacy of Test Procedures supplied and/or approved by Company.

4.2. Packaging and Shipping. Jabil will package and ship the Product in accordance with Packaging and Shipping Specifications. Company shall be solely responsible for the sufficiency and adequacy of the Packaging and Shipping Specifications and shall hold Jabil harmless for any claim arising therefrom.

4.3. Items to be Supplied by Company. Company shall supply to Jabil, according to the terms and conditions specified herein, Company Proprietary Information and Technology and, if applicable the Loaned Equipment, Components and Unique Components necessary for Jabil to perform the Manufacturing Services. Company will also provide to Jabil all Specifications, Test Procedures, Packaging and Shipping Specifications, Product design drawings, approved vendor listings, material Component descriptions (including approved substitutions), manufacturing process requirements, and any other specifications necessary for Jabil to perform the Manufacturing Services.

4.4. Items to be Supplied by Jabil. Jabil will (i) supply Components and materials as set forth in Section 4.6 below, and (ii) employ the Jabil Manufacturing Process, any required manufacturing technology, manufacturing capacity, labor, transportation logistics, systems and facilities necessary for Jabil to perform the Manufacturing Services.

4.5. Company Inspection. Company shall have the right, upon reasonable advance notice, during normal business hours and at its expense to inspect, review, monitor and oversee the Manufacturing Services, provided that such inspection shall not disrupt Jabil's normal business operations. Company shall cause each of its employees, agents and representatives who have access to Jabil's facilities, to maintain, preserve and protect all Proprietary Information and Technology of Jabil and the confidential or proprietary information and technology of Jabil's other customers.

4.6. Materials Procurement. Jabil will use Commercially Reasonable Efforts to procure Components, per Company's approved vendor list and bill of material, necessary to fulfill accepted Build Schedules. To the extent Jabil's procurement of Components from vendors on Company's approved vendor list requires Jabil to incur costs in addition to the actual cost of procured Components ("Approved Vendor Costs"), Jabil may seek reimbursement for such Approved Vendor Costs in accordance with this Section 4.6. Jabil shall provide a written breakdown any Approved Vendor Costs associated with any Components or other materials set forth in the bil1 of material, and the justification for such Approved Vendor Costs. Company shall pay Jabil for any undisputed Approved Vendor Costs.

4.7. Equitable Adjustment. In the event Jabil's cost of performance significantly changes due to causes beyond its reasonable control, the parties shall discuss in good faith an equitable adjustment to price and/or schedule on any open Build Schedules. Jabil will provide supporting documentation as may be reasonably requested by Company. Jabil shall continue to perform all of its obligations under this Agreement (including without limitation acceptance of new Build Schedules) in accordance with the terms of this Agreement while such adjustments are being negotiated, until such adjustments are negotiated by the parties in good faith and implemented through written change orders.

4.8. Materials Declaration. Company represents and warrants that the Product is not subject to Materials Declaration Requirements. Where Company notifies Jabil in writing that the Product is subject to Materials Declaration Requirements, Jabil will use Commercially Reasonable Efforts to assist Company in procuring parts, components and/or materials that' are compliant with Materials Declaration Requirements. However, Company understands and agrees that:

4.8.1 Company is responsible for notifying Jabil in writing of the specific Materials Declaration Requirements that Company determines to be applicable to the Product and shall be solely liable for the adequacy and sufficiency of such determination and information;

4.8.2 Any information regarding Materials Declaration Requirements compliance of parts, components, packaging or materials used in the Products shall come from the relevant supplier. Jabil does not test, certify or otherwise warrant component, part, packaging or materials compliance, on a homogenous material level or any other level, with Materials Declaration Requirements; and

4.8.3 Company is ultimately and solely responsible for compliance with, and for ensuring that any parts, components or materials used in the Products, and the Product itself, are compliant with applicable Materials Declaration Requirements.

Notwithstanding any other provision set forth in this Agreement, including amendments, attachments, or any other document incorporated herein, this Section 4.8 sets forth Jabil's sole responsibility and liability and Company's entire remedy from Jabil with respect to Materials Declaration Requirements and any third party claims against Company related to the Materials Declaration Requirements, and that absent this provision, Jabil would not enter this Agreement.

4.9. Product Evaluation. Company shall evaluate each Product to determine if it conforms, in all material respects, to the Specifications, and to determine if it contains any Defects. Company shall give Jabil written notice of any rejection of a Product within ten (10) days following Company's receipt of such Product ("Evaluation Period"). Such written notice of rejection of a Product shall include a detailed and complete description of Company's basis for asserting that the Product does not materially conform to the Specifications or contains Defects ("Defect Notice"). If Company fails to provide such Defect Notice to Jabil within the Evaluation Period, such Product shall be deemed to comply with the Specifications and not contain any Defects (provided the foregoing shall in no way limit Jabil's warranty obligations under Section 5). If Jabil disputes the basis for rejection set forth in a Defect Notice, it shall provide written notice of the same to Company within ten (10) business days following receipt of the Defect Notice ("Notice of Disputed Defect"). Any such dispute shall be resolved by the Parties in accordance with the provisions of Section 2l.13. Any specified times for delivery of such Products set forth herein shall be tolled during the dispute resolution procedure set forth above. If Jabil does not dispute the basis for rejection set forth in a Defect Notice Jabil shall follow its standard return process as set forth in Section 5.2 herein. The evaluation procedures set forth in this Section 4.9 shall apply to any redelivered Product.

5. Warranty & Remedy.

5.1. Jabil Warranty. Jabil warrants (i) that it will manufacture the Products in accordance with IPC-A 610 Class 2 workmanship standard, and (ii) that the Products will conform, in all material respects, to the Specifications, be comprised of new components, and be delivered free of any security interests, liens or encumbrances caused by Jabil. The above warranty shall remain in effect for a period of one (1) year from the date any Product is initially activated by an end-user customer of Company not to exceed 15 months from the date of initial delivery ("Warranty Period"). This warranty is extended to, and may only be enforced by, Company.

5.2. Repair or Replacement of, or Refund for, Defective Product. In accordance with Jabil's standard return material authorization process and procedure ("RMA"), Jabil will promptly, at Jabil's election, repair, replace (subject to lead times), or if mutually agreeable, each party acting commercially reasonably, refund to Company an amount equal to the original purchase price paid by Company for, any Product that fails to comply with the warranty set forth in this Section 5 (provided that the Product is received within thirty (30) days following the end of any applicable Warranty Period) ("RMA Product"). If Company desires to return a Product based on a claim of breach of the warranty set forth in this Section 5, Company shall request an RMA number from Jabil. Company shall then consign the alleged defective Product, FOB Jabil's designated repair facility, and specify the Jabil assigned RMA number. Jabil will analyze any such RMA Product and, if a breach of warranty is found ("Defect"), then Jabil will repair or replace or provide a refund for the RMA Product, as applicable, within twenty (20) business days of receipt by Jabil of the RMA Product and all required associated documentation. In the event a Defect is found, Jabil will reimburse Company for the reasonable cost of transporting the RMA Product to Jabil's designated repair facility and Jabil will deliver the repaired RMA Product or its replacement, FCA Company's designated destination. If no such Defect is found, Company shall bear responsibility for all transportation costs to and from Jabil's designated repair facility. Any replacement Products will be warranted for one year from delivery.

5.3. **Limitation of Warranty**. THE REMEDY SET FORTH IN SECTION 5.2 AND 5.6 SHALL CONSTITUTE COMPANY'S SOLE AND EXCLUSIVE REMEDY FOR A BREACH OF THE WARRANTY MADE BY JABIL IN SECTION 5.1. THE WARRANTY SET FORTH IN THIS SECTION 5 IS IN LIEU OF, AND JABIL EXPRESSLY DISCLAIMS, AND COMPANY EXPRESSLY WAIVES, ALL OTHER WARRANTIES AND REPRESENTATIONS OF ANY KIND WHATSOEVER WHETHER EXPRESS, IMPLIED, STATUTORY, ARISING BY COURSE OF DEALING OR PERFORMANCE, CUSTOM, USAGE IN THE TRADE OR OTHERWISE, INCLUDING COMPLIANCE WITH MATERIALS DECLARATION REQUIREMENTS, ANY COMPONENT WARRANTY, ANY WARRANTY OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OR INFRINGEMENT OR MISAPPROPRIATIONS OF ANY RIGHT, TITLE OR INTEREST OF COMPANY OR ANY THIRD PARTY.· COMPANY UNDERSTANDS AND AGREES THAT IT SHALL HAVE FULL AND EXCLUSIVE LIABILITY WITH RESPECT TO ANY PRODUCT DESIGN, WHETHER FOR PRODUCT DESIGN LIABILITY, DAMAGE TO PERSON OR PROPERTY AND/OR INFRINGEMENT OR MISAPPROPRIATION OF THIRD PARTY RIGHTS. NO ORAL OR WRITTEN STATEMENT OR REPRESENTATION BY JABIL, ITS AGENTS OR EMPLOYEES SHALL CONSTITUTE OR CREATE A WARRANTY OR EXPAND THE SCOPE OF ANY WARRANTY HEREUNDER.

5.4. JABIL'S WARRANTY IN SECTION 5.1 SHALL NOT APPLY TO ANY DEFECT IN THE PRODUCT RESULTING FROM THE PRODUCT HAVING BEEN SUBJECTED TO OPERATING AND/OR ENVIRONMENTAL CONDITIONS IN EXCESS OF THE MAXIMUM VALUES ESTABLISHED IN APPLICABLE SPECIFICATIONS OTHER THAN BY JABIL OR AT THE DIRECTION OF JABIL OR ANY DEFECT IN THE PRODUCT RESULTING FROM THE PRODUCT HAVING BEEN THE SUBJECT OF MISHANDLING, ACCIDENT, MISUSE, NEGLECT, IMPROPER TESTING, IMPROPER OR UNAUTHORIZED REPAIR, ALTERATION, DAMAGE, ASSEMBLY, PROCESSING OR ANY OTHER INAPPROPRIATE OR UNAUTHORIZED ACTION OR INACTION OTHER THAN BY JABIL OR AT THE DIRECTION OF JABIL THAT ALTERS PHYSICAL OR ELECTRICAL PROPERTIES.

5.5. **ECO Upgrade**. RMA's for engineering change order (ECO) upgrades will also be subject to the RMA process. Jabil will analyze the ECO and provide a per unit upgrade cost and expected completion and delivery date.

5.6. **Epidemic Failure**. In the event of an Epidemic Failure, either Party will inform the other Party as soon as possible about the event. Jabil will (i) identify the source of the failure; (ii) propose a containment action plan to Company; (iii) as soon thereafter as reasonably possible, propose a corrective action plan. Jabil will implement the proposed corrective action plan immediately upon approval by Company; and if it is determined based on Jabil's root cause analysis that an Epidemic Failure exists, then the following costs and expenses incurred by Company as a direct result of the Epidemic Failure shall be borne by Jabil: (i) costs of transport between the Jabil facility and Customer facility as directed by Jabil; (ii) costs to re-inspect 100% of the rejected lots of batches/sorting costs; provided responsibility for re-inspection and sorting will be decided by Jabil; [***] not to exceed [***] the amounts received by Jabil for such units.

6. Limitation of Damages.

EXCEPT WITH REGARD TO ANY INDEMNITIES SET FORTH HEREIN, AND LIABILITY FOR ANY BREACH OF SECTION 13 (CONFIDENTIALITY), UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR TO ANY OTHER PERSON OR ENTITY UNDER ANY CONTRACT, TORT, STRICT LIABILITY, NEGLIGENCE, OR OTHER LEGAL OR EQUITABLE CLAIM OR THEORY FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR INDIRECT DAMAGES, LOSS OF GOODWILL OR BUSINESS PROFITS, LOST REVENUE, WORK STOPPAGE, DATA LOSS, COMPUTER FAILURE OR MALFUNCTION, OR EXEMPLARY OR PUNITIVE DAMAGES WHETHER SUCH PARTY WAS INFORMED OR WAS AWARE OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE. THE FOREGOING SHALL NOT EXCLUDE OR LIMIT EITHER PARTY'S LIABILITY FOR DEATH OR PERSONAL INJURY RESULTING FROM ITS NEGLIGENCE TO THE EXTENT THAT SUCH LIABILITY CANNOT BY LAW BE LIMITED OR EXCLUDED.

7. Delivery, Risk of Loss and Payment Terms. For purposes of this Agreement delivery shall be FCA (per Incoterms 2010) Jabil's facility and deemed to have occurred, and all title and risk of loss shall be transferred to Company when Products (or any other items) are tendered to the carrier or forwarder approved by Company. The Fee and Price Schedule will be reviewed by the Parties on a quarterly basis and will be revised consistent with increases or decreases in logistic costs, materials, components, equipment and other costs and expenses applicable to the manufacture of the Product. For any shipments where Jabil acts as an agent in completing the Shipper's Export Declaration and managing Company's exports on behalf of Company, where the Company is the exporter of record (Principal Party in Interest—PPI), the Company hereby grants Jabil Power of Attorney to act on its behalf in managing its exports.

7.1. Payment. Company shall pay Jabil all monies when due, including all NRE Costs associated with this Agreement. [***] Payment to Jabil shall be in U.S. dollars and in immediately available funds. Company hereby unconditionally guarantees the payment by any of its subsidiaries or Affiliates or any third parties agreed to by the Parties who place orders under this Agreement to Jabil and/or its Affiliates. Jabil may require Company or its Affiliates to provide financial assurances, such as adjusting payment terms, providing a letter of credit or bank guarantee, or tendering a deposit if Jabil determines, in its reasonable judgment, that Company or Company's Affiliates are not creditworthy.

7.2. NRE. Any equipment, tooling, component, material or other goods or property, which is purchased by Jabil in order to perform its obligations under this Agreement, shall become the property of Company once Jabil is reimbursed for all NRE Costs due and owing by Company. Jabil shall invoice Company for actual outstanding NRE Costs and other monies due at monthly intervals (or such other intervals as deemed appropriate) during the term of this Agreement and upon cancellation, termination or expiration of this Agreement. Jabil agrees to request advance written approval from Company should resource requirements, and thereby NRE Costs, increase materially relative to estimated NRE Costs initially agreed by the Parties, Upon such request, Jabil shall provide to Company reasonably detailed supporting documentation end/or descriptions of the NRE Costs for which Jabil seeks reimbursement.

7.3. Taxes. Company shall be responsible for all federal, foreign, state and local sales, use, excise and other taxes (except taxes based on Jabil's income) ("Taxes") and all foreign agent or brokerage fees, document fees, custom charges and duties arising under this Agreement. Company may provide Jabil a valid exemption certificate or equivalent information acceptable to the relevant taxing authority, in which case, Jabil will not charge or collect the Taxes covered by such certificate. Company will be solely responsible for any Taxes, fines, penalties, and interest to the extent the failure by Jabil to remit such Taxes is due to Jabil's reliance on any direct pay certificate, or certification of an exemption from Tax or reduced rate of Tax provided by Company.

If Jabil is required to pay any Taxes because of Company's failure to do so, or because of any other act or omission by Company then Company will reimburse Jabil for the amount of any such payment, plus interest, penalties, and fees, including any attorney's fees incurred in connection with disputing the imposition and collection of such Taxes.

7.4. Foreign Currency. It is the intent of both Parties to trade in United States Dollars whenever possible and remain fixed in that currency unless otherwise mutually agreed. For Components and/ or materials that are purchased in a currency other than US dollars or where Jabil production costs are based in non-U.S. dollars due to the manufacturing location (or will move/has moved to a new location), currency impact on pricing and value add services will be reset as part of the quarterly pricing process, unless the Parties have agreed to an alternative pricing cycle (hereafter "FX Period"). In such cases Jabil will include all non-U.S. Dollar based content within cost detail submitted at the time of quote, and the cost will be decreased or increased to reflect currency fluctuations. At every FX Period, Jabil and Company will meet to establish the prices for the next FX Period for Products, Components and/or materials and value add services. The Company and Jabil agree that there will be a currency reconciliation process (hereafter "Currency Process"), reviewed during the FX Period (or QBR, if applicable), for foreign currency gains and losses of outstanding Inventory (Components and/or materials and Products), as well as the value add portion of any services provided, Revaluation of value add services should only be done if such services are invoiced in the same currency as the functional currency for the Facility where manufacturing occurs, except that the Parties shall agree to specific currency and reconciliation process for Products manufactured in, or transferred to a new Facility in, the following countries: Brazil, Vietnam, India, Ukraine, Russia (hereafter "Restricted Currency Countries"). The Restricted Currency Countries may be updated by Jabil from time to time with notice to Company.

(a) Currency Process:

(i) On or before the third Monday of each calendar month. Company will inform Jabil about purchase volumes per site for month T+1, +2, +3, and +4 from the forecast as specified in the Agreement.

(ii) In case Company has not delivered the information as per subsection (a)(i), Jabil shall rely on the information as communicated during previous month/months(s) unless this information has changed and has been communicated to Jabil in writing. Jabil will inform Company on a monthly basis if Company is not conforming to subsection (a)(i),

(b) Exchange Rate:

The exchange rate against the U.S. Dollar will be established with the applicable foreign currency on the second Thursday of the last month of each calendar quarter of the FX Period (i.e. March, June, September and December) based on the spot exchange rates published in the Wall Street Journal (spot exchange rate at 5 pm EST from source, e.g. New York closing snapshot).

8. Import and Export. Except as otherwise expressly set forth herein, Company shall be responsible for obtaining any required import or export licenses necessary for Jabil to ship Product, including certificates of origin, manufacturer's affidavits, and U.S. Federal Communications Commission's identifier, if applicable and any other licenses required under US or foreign law and Company shall be the importer of record. Company agrees that it shall not export, re-export, resell or transfer, or otherwise require Jabil to ship or deliver any Product, assembly, component or any technical data or software which violate any export controls or limitations imposed by the United States or any other governmental authority, or to any country for which an export license or other governmental approval is required at the time of export without first obtaining all necessary licenses and approvals and paying all duties and fees. Company shall provide Jabil with all licenses, certifications, approvals and authorizations in order to permit Jabil to comply with all import and export laws, rules and regulations for the shipment and delivery of the Product. [***] Company shall also be responsible for complying with any legislation or regulations governing the importation of the Product into the country of destination and for payment of any duties thereon.

9. Design or Repair Services; US Government Contracts. In the event that the Parties agree that Jabil will provide design or repair (i.e., out of warranty) services for Company, or U.S. government subcontract services for Company, or services related to or for export controlled products (e.g. International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR) the terms and conditions of such services shall be set forth in a separate, mutually agreed written agreement prior to the commencement of any such services. No FAR, DFAR, or any other FAR Supplement clauses shall be applicable to this Agreement. If Company requires Jabil to perform any of the foregoing services prior to execution of a separate agreement, Jabil's services will be provided "as is" and Company shall be fully responsible for any claims or liability arising from such services and corresponding deliverables or products.

10. Change Orders, Rescheduling and Cancellation, Safety Stock.

10.1. Changes to Manufacturing Services, Packaging and Shipping Specifications and Test Procedures. Company may, in writing, request a change to the Manufacturing Services, Packaging and Shipping Specifications and Test Procedures at any time. Jabil will analyze the requested change and provide Company with an assessment in writing of the effect that the requested change will have on cost, manufacturing, scheduling, delivery and implementation. Company will be responsible for all costs associated with any accepted changes. Any such change shall be documented in a written change order and shall become effective only upon mutual written agreement of both Parties to the terms and conditions of such change order, including changes in time required for performance, cost and applicable delivery schedules.

10.2. Production Increases. Company may, in writing, request increases in production volume of Product for an outstanding Build Schedule at any time. Jabil will analyze the request and determine if it can meet the requested increase within the required Lead-time. If Jabil can satisfy the requested increase it will provide Company with a new Build Schedule setting forth the expected delivery date of the changed order. If Jabil is unable to satisfy or comply with Company's requested increase in production volume within the requested time frame for delivery, Jabil will provide the reasons preventing Jabil from satisfying the requested increase in writing within five (5) business days after receipt of Company's request. Any such change shall be documented in a written change order and shall become effective only upon mutual written agreement of both Parties to the terms and conditions of such change order, including changes in time required for performance, cost and applicable delivery schedules.

10.3. Product Configuration Changes and Engineering Changes. Company may request configuration or engineering changes to Product in writing at any time. Jabil will analyze the request and determine if it can meet the requested changes within the required Lead-time. If Jabil can satisfy the requested change it will provide Company within five (5) business days after receipt of the configuration or engineering request notice, a written notice of acceptance of the requested changes along with any additional costs and expected changes to delivery schedules. If Jabil is unable to satisfy or comply with Company's requested changes within the requested time frame for delivery, Jabil will provide the reasons preventing Jabil from satisfying the requested increase in writing within five (5) business days after receipt of Company's request. Any such change shall be documented in writing and shall become effective only upon mutual written agreement of both Parties of the terms and conditions of such change, including changes in time required for performance, cost (including cost of materials on hand or on order in accordance with original Build Schedule) and applicable delivery schedules.

10.4. **Treatment of Obsolete/End-of-Life Material**. Upon receiving notice from Company of an engineering change or that any Product, component or assembly has become obsolete or has reached end-of-life Jabil will, within a reasonable period after receiving such notice, provide Company with an analysis in writing of Company's liability to Jabil for components and materials acquired or scheduled to be acquired to manufacture such Product in accordance with a Build Schedule or Build Schedule Forecast. Company's liability shall include the price of finished Product and Jabil's costs (including cancellation fees and charges) of work in progress, safety stock components and materials and components and materials on hand or on order within applicable Lead-times. Jabil will use Commercially Reasonable Efforts to assist Company in minimizing Company's liability, including by taking the following steps:

- As soon as is commercially practical reduce or cancel component and material orders to the extent contractually permitted,
- Return all components and materials to the extent contractually permitted,
- Make all Commercially Reasonable Efforts to sell components and materials to third parties.
- Assist Company to determine whether current work in progress should be completed, scrapped or shipped "as is".

10.5. **Safety Stock**. Jabil and Company agree that safety stock (including components, sub-assemblies and finished goods inventory) may be required to be held at Jabil for flexibility in certain circumstances. When appropriate, the Parties agree to establish, and Jabil agrees to hold in inventory, safety stock at mutually agreed upon levels. Company shall be liable for safety stock mutually agreed upon and placed in inventory at Jabil, The Parties will review safety stock levels on at least a quarterly basis and will develop plans to resolve the issues creating the need for safety stock and remove the safety stock as soon as possible.

10.6. **Rescheduled Delivery and Cancellation of Orders**. Company may request Jabil to reschedule the delivery date for Product(s) and cancel pending orders in accordance with this Section 10.6. The charges to Company for deferring or accelerating delivery of an order (rescheduled) or cancellation of an order are outlined below:

Days Prior to Delivery Date	Reschedule Terms	Cancellation Liability
0-30 Days	Company may not reschedule an order within 30 days of the delivery date without payment in full for the order.	Company may not cancel an order to be delivered within 30 days of the applicable delivery date without payment to Jabil in full for the order.
31-60 Days from original deli very date	Company may reschedule the delivery of up to 20% of an order without additional liability provided that such rescheduled order is rescheduled to be delivered within thirty (30) days of the original delivery date.	Company will be charged 100% of Jabil's incurred costs for any order cancelled more than 30 and up to 60 days from the applicable delivery date.

Days Prior to Delivery Date	Reschedule Terms	Cancellation Liability
61-90 days from original delivery date	Company may reschedule delivery of Company will be charged 100% up to 50% of an order without of Jabil's incurred costs for any additional liability provided that such order cancelled more than 60 and rescheduled order is rescheduled to be up to 90 days from the applicable delivered within thirty (30) days of delivery date.	Company will be charged 100% of Jabil's incurred costs for any order cancelled more than 60 and up to 90 days from the applicable delivery date.
90 days and beyond from original delivery date	Company may reschedule 100% of an order without additional liability	Company will be charged no fees for any order cancelled more than 90 days prior to the applicable delivery date.

In addition to the charges set forth above, Company shall be responsible for all inventory storage costs resulting from a reschedule or cancellation. Such inventory storage costs shall be billed on a monthly basis plus an interest rate of one and one-quarter percent (1.25%) per month, and shall be applied to the inventory applicable to the rescheduled or cancelled order. Reschedules in excess of the maximum deferred quantity or period (set forth above) will be considered cancellations and subject to applicable cancellation charges. In addition to the charges and costs set forth above, Company shall also be liable for the depreciation (determined in accordance with U.S. Generally Accepted Accounting Principles) for the period of time any piece of Jabil's equipment is idle as a result of the reschedule or cancellation for up to six months from the date of termination or cancellation. [***]

10.7. Cost Savings. After a minimum of 1,000,000 of Products have been manufactured, Jabil and Company will collaborate using Commercially Reasonable Efforts to identify cost savings for the price to manufacture Company's Product. The Parties will agree on the implementation of any proposed cost savings measures. [***]

[***]

11. Term. The term of this Agreement shall begin on the Effective Date and shall continue thereafter for a period of five (5) years, or until terminated in accordance with Section 12 (Termination). Notwithstanding the foregoing, Sections 5, 6, 7, 8, 11, 12.4, 12.5, 12.6, 13, 14, 16, 17, 18, 19 and 21 herein shall survive the expiration, cancellation or termination of this Agreement.

12. Termination and Termination Charges.

This Agreement may be terminated as follows:

12.1. Termination for Convenience. This Agreement may be terminated at any time upon the mutual written consent of the Parties or upon the date for termination set forth in a written notice given by one Party to the other not less than [***]

12.2. Termination for Cause. Either Party may terminate this Agreement based on the material breach by the other Party of the terms of this Agreement, provided that the Party alleged to be in material breach receives written notice setting forth the nature of the breach at least thirty (30) days prior to the intended termination date. During such time the Party in material breach may cure the alleged breach and if such breach is cured within such thirty (30) day period, no termination will occur and this Agreement will continue in accordance with its terms. If such breach shall not have been cured, termination shall occur upon the termination date set forth in such notice.

12.3. Termination for Bankruptcy/Insolvency. Either Party may terminate this Agreement by written notice to the other Party, effective immediately upon receipt, upon the happening of any of the following events with respect to a Party:

12.3.1 The appointment of a receiver or custodian to take possession of any or all of the assets of the other Party, or should the other Party make an assignment for the benefit of creditors, or should there be an attachment, execution, or other judicial seizure of all or a substantial portion of the other Party's assets, and such attachment, execution or seizure is not discharged within sixty (60) days,

12.3.2 The other Party becomes a debtor, either voluntarily or involuntarily, under Title 11 of the United States Code or any other similar law and, in the case of an involuntary proceeding, such proceeding is not dismissed within sixty (60) days of the date of filing.

12.3.3 The liquidation, dissolution or winding up of the other Party whether voluntarily, by operation of law or otherwise.

12.4. Termination Consequences. If this Agreement is terminated for any reason, (i) Company shall not be excused from performing its obligations under this Agreement with respect to payment for all monies due Jabil hereunder including fees, costs and expenses incurred by Jabil up to and including the Termination Effective Date and (ii) the parties shall not be excused from performing their respective obligations under this Agreement with respect to Build Schedules in effect on the Termination Effective Date, except that in the case of termination under Section 12.2, the terminating party may elect whether obligations under Build Schedules will remain in effect.

12.5. Termination Charges. Upon termination, expiration or cancellation of this Agreement for any reason, Jabil shall submit to Company Jabil's invoices for termination charges within 60 days from the effective date of such termination as set forth below. Jabil's invoice for such charges shall be based upon costs incurred by Jabil up to the date of termination, expiration or cancellation ("Termination Effective Date") and shall also include the following: (i) costs accrued after the Termination Effective Date but resulting from such termination, expiration or cancellation; and (ii) the depreciation expense on all equipment used to manufacture Product purchased by Jabil specifically for the manufacture, test, design, or packaging of Product that remains idle due to such termination for up to six months from the date of the Termination Effective Date in accordance with U.S. Generally Accepted Accounting Principles. Jabil will provide to Company all information reasonably necessary to confirm the costs and expenses sustained by Jabil due to termination. Company's obligations to pay termination charges under this Section 12.5 are subject to Jabil's obligations to mitigate under Section 12.6. To the extent that Jabil cannot mitigate its costs as set forth in Section 12.6, Company's obligation shall be to pay the termination charges claimed by Jabil as follows:

12.5.1 The applicable price for the Product of which Jabil has completed manufacture prior to the Termination Effective Date pursuant to an accepted Build Schedule for which payment has not been made (to be delivered to Company promptly upon payment);

12.5.2 Reimbursements for material acquisition costs, costs of components, and costs of subassemblies and work in process at the time of the Termination Effective Date which were purchased or ordered pursuant to Build Schedules accepted by Jabil prior to the Termination Effective Date;

12.5.3 Jabil's reasonable cancellation costs incurred for components, materials and subcontracted items that Jabil had on order on behalf of Company on the Termination Effective Date pursuant to Build Schedules accepted by Jabil;

12.5.4 Jabil's depreciated cost of equipment or tooling purchased by Jabil specifically for the manufacture, test, design, or packaging of Product. All equipment or tooling for which Company shall have paid 100% of Jabil's incurred cost (less depreciation) shall be held by Jabil for Company's account and Company may arrange for its acquisition of them on AS-IS, WHERE-IS basis.

12.6. Duty to Mitigate Costs. Both Parties shall, in good faith, undertake Commercially Reasonable Efforts to mitigate the costs of termination, expiration or cancellation. Jabil shall make Commercially Reasonable Efforts to cancel all applicable component and material purchase orders and reduce component inventory through return for credit programs or allocate such components and materials for alternate Company programs if applicable, or other customer orders provided the same can be used within ninety (90) days of the termination date.

13. Confidentiality.

13.1. Confidentiality Obligations. In order to protect both Parties' Proprietary Information and Technology the Parties agree that each Party shall use the same degree of care, but no less than a reasonable degree of care, as such Party uses with respect to its own similar information to protect the Proprietary Information and Technology of the other Party and to prevent any use of Proprietary Information and Technology other than for the purposes of this Agreement. This Section 13 imposes no obligation upon a Party with respect to Proprietary Information and Technology which (a) was known to such Party before receipt from the disclosing Party; (b) is or becomes publicly available through no fault of the receiving Party; (c) is rightfully received by the receiving Party from a third party without a duty of confidentiality; (d) is disclosed by the disclosing Party to a third party without imposing a duty of confidentiality on the third party; (e) is independently developed by the receiving Party without a breach of this Agreement; or (f) is disclosed by the receiving Party with the disclosing Party's prior written approval. If a Party is required by a government body or court of law to disclose Proprietary Information and Technology, this Agreement or any portion hereof, then such Party agrees to give the other Party reasonable advance notice so that the other Party may seek a protective order or otherwise contest the disclosure.

13.2. Employees, Agents and Representatives. The receiving Party shall only permit access to Proprietary Information and Technology to those of the receiving Party's employees, agents and representatives who (a) have a need to know such information, (b) have been advised by the receiving Party of the receiving Party's obligations under this Agreement, and (c) are contractually or legally bound by obligations of no nondisclosure and non-use at least as stringent as those contained herein. Each Party represents and warrants to the other that it has adopted policies and procedures with respect to the receipt and disclosure of confidential or proprietary information, such as the Proprietary Information and Technology with its employees, agents and representatives. The receiving Party represents warrants and covenants to the disclosing Party that the receiving Party will cause each of its employees, agents and representatives to maintain and protect the confidentiality of the Proprietary Information and Technology. The failure of any employee, agent or representative of the receiving Party to comply with the terms and conditions of this Section 13 shall be considered a breach of this Agreement by the receiving Party.

13.3. Term and Enforcement. The confidentiality obligation set forth in this Agreement shall be observed during the term of the Agreement and for a period of four (4) years following the termination of this Agreement. Each Party acknowledges that a breach of any of the terms of this Section 13 may cause the non-breaching Party irreparable damage, for which the award of damages would not be adequate compensation. Consequently, the non-breaching Party may institute an action to enjoin the breaching Party from any and all acts in violation of those provisions, which remedy shall be cumulative and not exclusive, and shall be in addition to any other relief to which the non-breaching Party may be entitled at law or in equity. Such remedy shall not be subject to the arbitration provisions set forth in Section 21.13.

13.4. Return of Proprietary Information and Technology. Upon the termination, cancellation or expiration of this Agreement, the receiving Party shall, upon the disclosing Party's written request, return all Proprietary Information and Technology (including all copies thereof), to the disclosing Party, or at the disclosing Party's instruction, destroy such Proprietary Information and Technology.

14. Intellectual Property Rights; Assignment.

14.1. Jabil Existing Intellectual Property. Each Party shall retain all right, title and ownership to its respective Existing Intellectual Property. Subject to full payment of all monies due and owing under this Agreement, to the extent any Jabil Existing Intellectual Property is incorporated into a Product, Jabil grants to Company a worldwide, perpetual, irrevocable, non-exclusive, fully paid-up, royalty free, non-transferrable, non-sublicensable right and license under such incorporated Jabil Existing Intellectual Property only insofar as is reasonably required for Company to make or have made, use, sell, offer for sale, test or distribute the Product and/or any modified, enhanced or follow-on versions thereof; provided however, that no license or other rights to Jabil Manufacturing Process shall be granted hereunder.

14.2. Jabil Created Intellectual Property. [***] Company hereby grants to Jabil a worldwide, non-exclusive, irrevocable, fully paid-up, royalty-free right and license in and to the Jabil Created Intellectual Property [***]

14.3. Company Intellectual Property. Company grants to Jabil a worldwide, non-exclusive, fully paid-up, royalty-free, non-transferable, non-sublicensable right and license under the Company Proprietary Information and Technology for the purpose of allowing Jabil to perform its obligations under this Agreement, including exhausting inventory (and planned and existing work in progress) that relates to Manufacturing Services under this Agreement.

14.4. The Parties expressly acknowledge and agree that: (i) the licenses granted under Section 14 are subject to Section 365(n) of the United States Bankruptcy Code as a license of "Intellectual Property" and shall be deemed to be, and construed as, a license for the purpose of application of Section 365 of the United States Bankruptcy Code; and (ii) if a case under the United States Bankruptcy Code is filed by or against a Party providing the license (hereafter "Licensor") or any of its Affiliates, and in that case this Agreement is rejected pursuant to Section 365 of the United States Bankruptcy Code, then the licensee may exercise all rights provided by 365(n), including the right to retain its rights and the full benefits under Its license with respect to the license grants under this Section 14. Licensor hereby expressly further acknowledges and agrees that neither it as the debtor-in-possession in any bankruptcy proceeding, any trustee in bankruptcy, or any successor of Licensor shall challenge the characterization of the license granted hereunder as a license of "Intellectual Property" for the purpose of application of Section 365(n) of the United States Bankruptcy Code.

14.5. To avoid doubt, Company is responsible for obtaining any third party licenses necessary for the Products.

15. Intentionally Deleted.

16. Indemnification.

16.1. Company. Company represents and warrants that it has no knowledge of infringement or misappropriation of any patent, trademark and copyright or any potential infringement claims with respect to the Product. Company agrees to indemnify, defend and hold Jabil and its employees, Subsidiaries, Affiliates, successors and assigns harmless from and against all claims, damages payable to third parties, costs and expenses, including reasonable attorneys' fees, arising from any third party claims ("Claims") asserted against Jabil and its employees, Subsidiaries, Affiliates, successors and assigns, to the extent based on any of the following (but excluding any claims covered by Section 16.2): (a) Product, Specifications, Company Proprietary Information and Technology, or any information, technology and processes supplied and/or required in writing (including by email) by Company of Jabil; (b) actual or alleged noncompliance with Materials Declaration Requirements; (c) that any item in subsection (a) infringes or violates any patent, copyright or other intellectual property right of a third party, and (d) design or product liability alleging that any item in subsection (a) has caused or will in the future cause damages of any kind.

16.2. By Jabil. Jabil agrees to indemnify, defend and hold harmless Company and its employees, subsidiaries, affiliates, successors and assigns from and against all claims, damages, losses, costs and expenses, including reasonable attorneys' fees, recovered by third parties, arising from any third party claims asserted against Company and its employees, subsidiaries, affiliates, successors and assigns to the extent based on (i) an allegation that the manufacturing process(es) supplied and used by Jabil hereunder infringe or violate any patent, copyright or other intellectual property right of a third party; [***]

16.3. Procedural Requirements. An indemnified party will provide the indemnifying party prompt written notice of all Claims and threats thereof, sole control of all defense and settlement activities, and all reasonably requested assistance with respect thereto. An indemnified party may employ counsel, at its own expense to assist the indemnifying party with respect to any such Claims, provided that if such counsel is necessary because of a conflict of interest with the indemnifying party or its counsel or because such party does not assume control of the defense of a Claim for which it is obligated to indemnify hereunder, the indemnifying party shall bear such expense. The indemnifying party shall not enter into any settlement that affects the other party's rights or interests without its prior written approval, which shall not be unreasonably withheld.

17. Relationship of Parties. Jabil shall perform its obligations hereunder as an independent contractor. Nothing contained herein shall be construed to imply a partnership or joint venture relationship between the Parties. The Parties shall not be entitled to create any obligations on behalf of the other Party, except as expressly contemplated by this Agreement. The Parties will not enter into any contracts with third parties in the name of the other Party without the prior written consent of the other Party. Each Party will perform its obligations hereunder in compliance with the United States Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act.

18. Insurance. Each Party will keep its business and properties insured at all times against such risks for which insurance is usually maintained by reasonably prudent Persons engaged in a similar business (including insurance for hazards and insurance against liability on account of damage to Persons or property and insurance under all applicable workers' compensation laws). The insurance maintained shall be in such monies and with such limits and deductibles usually carried by Persons engaged in the same or a similar business. In support of its indemnification obligations, Company shall name Jabil as an additional insured on its General Liability, Automobile and Worker's Compensation insurance policies and agrees that such insurance shall respond as primary and noncontributory with any insurance held by Jabil. Nothing herein regarding insurance either limits or increases Company's indemnification to Jabil. Certificates of Insurance shall be provided within thirty (30) days of the execution of this agreement and annually thereafter on the anniversary date of this agreement.

19. Publicity. Without the consent of the other Party, neither Party shall refer to this Agreement in any publicity or advertising or disclose to any third party any of the terms of this Agreement. Notwithstanding the foregoing, neither Party will be prevented from, at any time, furnishing any information to any governmental or regulatory authority, including the United States Securities and Exchange Commission or any other foreign stock exchange regulatory authority, that it is by law, regulation, rule or other legal process obligated to disclose, so long as the other Party is given advance written notice of such disclosure pursuant to Section 13.1. A Party may disclose the existence of this Agreement and its terms to its attorneys and accountants, suppliers, customers and others only to the extent necessary to perform its obligations and enforce its rights hereunder. [***]

20. Force Majeure. Neither Party will be liable for any delay in performing, or for failing to perform, its obligations under this Agreement (other than the payment of money) resulting from any cause beyond its reasonable control including, acts of God; blackouts; power failures; inclement weather; fire; explosions; floods; hurricanes; typhoons; tornadoes; earthquakes; epidemics; strikes; work stoppages; labor, component or material shortages; slowdowns; industrial disputes; sabotage; accidents; destruction of production facilities; riots or civil disturbances; acts of government or governmental agencies, including changes in law or regulations that materially and adversely impact the Party, and U.S. Government priority orders or contracts; provided that the Party affected by such event promptly notifies (in no event more than ten (10) business days of discovery of the event) the other Party of the event. If a the event giving rise to the delays caused by the force majeure conditions are not cured within sixty (60) days of the force majeure event, then either Party may immediately terminate this Agreement Termination of this Agreement pursuant to this Section 20 shall not affect Company's obligation to pay Jabil, as set forth herein.

21. Miscellaneous.

21.1. Notices. All notices, demands and other communications made hereunder shall be in writing and shall be given either by personal delivery, by nationally recognized overnight courier (with charges prepaid), by facsimile or EDI (with telephone confirmation) addressed to the respective Parties at the following addresses:

Notice to Jabil:	Jabil Circuit, Inc. 10560 Dr. M.L. King Jr. Street North St. Petersburg, FL 33716 Facsimile:(____)_____ Attn:_____
with a copy to:	Jabil Circuit, Inc. 10560 Dr. M.L. King Jr. Street North St. Petersburg, FL 33716 Facsimile: (727) 803-3415 Attn: General Counsel
Notice to Company:	Tile, Inc. 2121 S. El Camino Real, Suite 900 San Mateo, CA 94403 _____ Attn: Chief Financial Officer

with a copy to:

Tile, Inc.
2121 S. El Camino Real, Suite 900
San Mateo, CA 94403

Attn: Director, Manufacturing Operations

21.2. Attorneys' Fees and Costs. In the event that attorneys' fees or other costs are incurred to enforce payment or performance of any obligation, agreement or covenant between the Parties or to establish damages for the breach of any obligation, agreement or covenant under this Agreement, or to obtain any other appropriate relief under this Agreement, whether by way of prosecution or defense, the prevailing Party shall be entitled to recover from the other Party its reasonable attorneys' fees and costs, including any appellate fees and the costs, fees and expenses incurred to enforce or collect such judgment or award and any other relief granted.

21.3. Amendment. No course of dealing between the Parties hereto shall be effective to amend, modify, or change any provision of this Agreement. This Agreement may not be amended, modified, or changed in any respect except by an agreement in writing signed by the Party against whom such change is to be enforced. The Parties may, subject to the provisions of this Section 21.3, from time to time, enter into supplemental written agreements for the purpose of adding any provisions to this Agreement or changing in any manner the rights and obligations of the Parties under this Agreement or any Schedule hereto. Any such supplemental written agreement executed by the Parties shall be binding upon the Parties.

21.4. Partial Invalidity. Whenever possible, each provision of this Agreement shall be interpreted in such a way as to be effective and valid under applicable law. If a provision is prohibited by or invalid under applicable law, it shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

21.5. Monies. All references to monies in this Agreement shall be deemed to mean lawful monies of the United States of America,

21.6. Entire Agreement. This Agreement, the Schedules and any addenda attached hereto or referenced herein, constitute the complete and exclusive statement of the agreement of the Parties with respect to the subject matter of this Agreement, and replace and supersede all prior agreements and negotiations by and between the Parties. Each Party acknowledges and agrees that no agreements, representations, warranties or collateral promises or inducements have been made by any Party to this Agreement except as expressly set forth herein or in the Schedules and any addenda attached hereto or referenced herein, and that it has not relied upon arty other agreement or document, or any verbal statement or act in executing this Agreement. These acknowledgments and agreements are contractual and not mere recitals. In the event of any inconsistency between the provisions of this Agreement and any Schedule and any addenda attached hereto or referenced herein, the provisions of this Agreement shall prevail unless expressly stipulated otherwise, in writing executed by the Parties. Pre-printed language on each Party's forms, including purchase orders, shall not constitute part of this Agreement and shall be deemed unenforceable.

21.7. Binding Effect. This Agreement shall be binding on the Parties and their successors and assigns; provided, however, that neither Party shall assign, delegate or transfer, in whole or in part, this Agreement or any of its rights or obligations arising hereunder without the prior written consent of the other Party; provided that, either party may, without consent, assign this Agreement to a successor in connection with a merger, consolidation or sale of all or substantially all of its business or assets subject to the successor in interest agreeing to fully assume all obligations of the assigning Party under this Agreement. Any purported assignment without such consent shall be null and void, Notwithstanding the foregoing, Jabil shall have the right to assign its rights to receive monies hereunder without the prior written consent of Company.

21.8. Waiver. Waiver by either Party of any breach of any provision of this Agreement shall not be considered as or constitute a continuing waiver or a waiver of any other breach of the same or any other provision of this Agreement.

21.9. Captions. The captions contained in this Agreement are inserted only as a matter of convenience or reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any of its provisions.

21.10. Construction. Since both Parties have engaged in the drafting of this Agreement, no presumption of construction against any Party shall apply. This Agreement has been prepared in the English language and the English language shall control its interpretation. In addition, all notices required or permitted to be given hereunder, and all written, electronic, oral or other communications between the Parties regarding this Agreement shall be in the English language.

21.11. Section References. All references to Sections or Schedules shall be deemed to be references to Sections of this Agreement and Schedules attached to this Agreement, except to the extent that any such reference specifically refers to another document. All references to Sections shall be deemed to also refer to all subsections of such Sections, if any.

21.12. Business Day. If any time period set forth in this Agreement expires upon a Saturday, Sunday or U.S. national; legal or bank holiday, such period shall be extended to and through the next succeeding business day.

21.13. Dispute Resolution.

21.13.1 The Parties shall use good faith efforts to resolve disputes, within twenty (20) business days of notice of such dispute. Such efforts shall include escalation of such dispute to the corporate officer level of each Party.

21.13.2 Except as set forth in Section 13 if the Parties cannot resolve any such dispute within said twenty (20) business day period, the matter shall be submitted to arbitration for resolution, Arbitration will be initiated by filing a demand at the New York, New York regional office of the American Arbitration Association ("AAA").

21.13.3 Disputes will be heard and determined by a panel of three arbitrators appointed in accordance with AAA Rules. All arbitrators must have significant experience in resolving disputes involving electronic manufacturing and design services,

21.13.4 Within fifteen (15) business days following the selection of the arbitrator, the Parties shall present their claims to the arbitrator for determination. Within ten (10) business days of the presentation of the claims of the Parties to the arbitrator, the arbitrator shall issue a written opinion. To the extent the matters in dispute are provided for in whole or in part in this Agreement, the arbitrator shall be bound to follow such provisions to the extent applicable, In the absence of fraud, gross misconduct or an error in law appearing on the face of the determination, order or award issued by the arbitrator, the written decision of the arbitrator shall be final and binding upon the Parties. The prevailing Party in the arbitration proceeding shall be entitled to recover its reasonable attorneys' fees, costs and expenses including travel-related expenses. Notwithstanding the foregoing, claims for injunctive or other equitable relief for IP infringement or breach of confidentiality may be brought by either party, immediately at any time, before any court of competent jurisdiction.

21.13.5 Nothing contained in this Agreement (including, without limitation, the preceding Sections 21.13.1 through 21.13.4) shall deny either Party the right to seek injunctive or other equitable relief from a court of competent jurisdiction in the context of a bona fide emergency or prospective irreparable harm, and such an action may be filed and maintained notwithstanding any discussions between the Parties or any arbitration proceeding.

21.14. Other Documents. The Parties shall take all such actions and execute all such documents that may be necessary to carry out the purposes of this Agreement, whether or not specifically provided for in this Agreement.

21.15. Counterparts. This Agreement may be executed by facsimile and delivered in one or more counterparts, each of which shall be deemed to be an original and all of which, taken together, shall be deemed to be one agreement.

21.16. Governing Law and Jurisdiction. This Agreement and the interpretation of its terms shall be governed by the laws of the State of New York, without application of conflicts of law principles. The provisions of the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement. The Parties hereby agree that the State and Federal Courts with exclusive jurisdiction over disputes shall be located in New York County, New York.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

TILE, INC.

By: /s/ David Cooper
Signature

Name: David Cooper
(Print)

Title: CFO

Date: March 8, 2017

JABIL CIRCUIT, INC.

By: /s/ Ram Dornaca
Signature

Name: Ram Dornaca
(Print)

Title: Sr. Business Unit Director

Date: 3/8/2017

JABIL CIRCUIT (SINGAPORE) PTE,LTD.

By: /s/ Steven Hodot
Signature

Name: Steven Hodot
(Print)

Title: SVP Jabil

Date: 14 March 2017

SCHEDULE 1
TO MANUFACTURING SERVICES AGREEMENT
BETWEEN JABIL AND COMPANY

STATEMENT OF WORK AND/OR SPECIFICATIONS

- **Product Description:**
- **Specifications:**
- **NRE Costs:**
- **Components and Materials Requirements:**
- **Test Procedures**
- **Packaging and Shipping Specifications**
- **Component Suppliers:**

Exhibit 10.19

Tile, Inc.
1900 S. Norfolk St. Ste. 310
San Mateo CA 94403
www.tile.com

June 2, 2022

Jabil, Inc.
10560 Dr. M.L. King Jr. Street North
St. Petersburg, Florida 22716
Attn: Irvin Stein, Vice President
CC: Stephy Zheng, Business Unit Director
Only via Email to: ***irvin_stein@jabil.com***
stephy_zheng@jabil.com

Re: Manufacturing Services Agreement Extension

Dear Irv,

This letter is in reference to the Manufacturing Services Agreement, entered into between Tile, Inc. ("Tile") and Jabil Inc. (formerly known as Jabil Circuit, Inc.) and Jabil Circuit (Singapore) Pte. Ltd. ("Jabil Singapore") (Jabil Inc. and Jabil Singapore hereinafter collectively referred to as "Jabil"), with an Effective Date of March 8, 2017 ("Agreement"). While the Agreement has an expiration date of March 8, 2022, Tile and Jabil confirmed via e-mail that the Agreement would remain effective and continue under its current terms and conditions while we work together on a formal amendment to the Agreement.

This letter, when signed by both Tile and Jabil below, will serve to reflect each party's agreement to continue to work together towards finalizing and executing a formal amendment to the Agreement and to extend the Agreement's effectiveness beyond its termination date until a formal amendment can be executed between Tile and Jabil.

Please sign below where indicated for Jabil to reflect Jabil's agreement and return a copy to Tile at pleitner@life360.com. If you have any questions regarding this matter, please do not hesitate to contact me at pleitner@life360.com.

Sincerely,

/s/ Kristin Markworth

Kristin Markworth

Chief Operating Officer

Acknowledged and Agreed:

Jabil Inc.		**Jabil Circuit (Singapore) Pte. Ltd.**	
By:	/s/ Irvin Stein	By:	/s/ Irvin Stein
Name:	Irvin Stein	Name:	Irvin Stein
Title:	Vice President	Title:	Vice President
Date:	6/9/2022	Date:	6/9/2022

Exhibit 10.20

OFFICE LEASE

539 Bryant Street, San Francisco, Ca.

SF OFFICE 2, LLC,

a Delaware limited liability company

as Landlord,

and

LIFE360, Inc., a Delaware corporation,

as Tenant.

TABLE OF CONTENTS

EXHIBITS

539 Bryant Street, San Francisco, California

OFFICE LEASE

This Office Lease (the "**Lease**"), dated as of the date set forth in Section 1 of the Summary of Basic Lease Information (the "**Summary**"), below, is made by and between SF OFFICE 2, LLC, a Delaware limited liability company ("**Landlord**") and LIFE360, Inc., a Delaware corporation ("**Tenant**").

SUMMARY OF BASIC LEASE INFORMATION

TERMS OF LEASE	DESCRIPTION
1. Date:	October __, 2013
2. *Building and Premises (Article 1):	
2.1 Building:	The office building located at 539 Bryant Street, San Francisco Ca., containing a total of 55,597 rentable square feet.
2.2 Premises:	Approximately 7,762 rentable square feet of space located on the fourth (4th) floor of the Building and commonly known as Suite 402, as further set forth in **Exhibit A** to this Lease. *Landlord and Tenant hereby acknowledge and agree that, for purposes of this Lease, the rentable and usable square footage of the Building and Premises set forth in this Summary shall be deemed to be accurate and neither the Premises nor the Building shall be subject to remeasurement.
3. Lease Term (Article 2):	
3.1 Length of Term:	Approximately three (3) years.
3.2 Lease Commencement Date:	The earlier of (i) the date Tenant commences business operations in the Premises, and (ii) the date which is ten (10) days after Landlord delivers possession of the Premises to Tenant.
3.3 Lease Expiration Date:	The last day of the month which is three (3) years after the Lease Commencement Date.

4. Base Rent (Article 3):

Period During Lease Term	Monthly Installment of Base Rent
Months 1 - 12	$ 31,048.00
Months 13-24	$ 31,979.44
Months 25-36	$ 32,938.82

5. Base Year (Article 4): Calendar year 2014

6. Tenant's Share (Article 4): Approximately 14%.

7. Permitted Use (Article 5): General office use

8. Security Deposit (Article 21): $124,192.00.

9. Parking Pass Ratio (Article 28): Up to, but no more than, five (5) reserved parking passes subject to the terms of Article 28 of the Lease at the prevailing monthly rate (the prevailing rate as of the Commencement Date is $265.00 per pass per month)

10. Address of Tenant (Section 29.18):

LIFE360, Inc.
78 1st Street, 6th Floor
San Francisco, CA. 94105
Attention: Chris Hulls
(Prior to Lease Commencement Date)

and

LIFE360, Inc.
539 Bryant Street
Suite 402
San Francisco, Ca.
Attention: Chris Hulls
(After Lease Commencement Date)

Address of Landlord (Section 29.18):

SF OFFICE 2, LLC
c/o Zurich Alternative Asset Management, LLC
165 Broadway-One Liberty Plaza
21st Floor
New York, NY 10006
Attention: Asset Manager

With a copy to

SF OFFICE 2, LLC
c/o CAC Real Estate Management Co., Inc.
475 Brannan Street, Suite 124
San Francisco, CA 94107
Attn: Jackie Holland

11. Broker(s) (Section 29.24): For Landlord: Colliers International (Mike Monroe, Mike McCarthy and Brian McCarthy)

For Tenant: Custom Spaces (Jenny Haeg)

12. Tenant Improvement Allowance (**Exhibit B**): None

13. Guarantor (Section 29.36): None

14. Initial Estimated Monthly Expense Reimbursements (Section 4.3.2) (**Modified Gross**): $2,263.92.

The foregoing summary is incorporated in and constitutes an integral part of this Lease.

ARTICLE 1

PREMISES, BUILDING, AND COMMON AREAS

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises set forth in Section 2.2 of the Summary (the "**Premises**"). The outline of the Premises is set forth in **Exhibit A** attached hereto. The parties hereto agree that the lease of the Premises is upon and subject to the terms, covenants and conditions (the "**TCCs**") herein set forth, and Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of such TCCs by it to be kept and performed and that this Lease is made upon the condition of such performance. The parties hereto hereby acknowledge that the purpose of **Exhibit A** is to show the approximate location of the Premises in the "Building," as that term is defined in this Article 1, and such Exhibit is not meant to constitute an agreement, representation or warranty as to the construction of the Premises, the precise area thereof or the specific location of the "Common Areas," as that term is defined in this Article 1, or the elements thereof or of the accessways to the Premises or the Building. Except as otherwise expressly provided herein, on the Commencement Date, Tenant shall accept the Premises in its "as is" condition on such date and Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises. Notwithstanding anything to the contrary set forth herein, if (A) the (i) Base Building (as defined below), including the Base Building systems and equipment (including the mechanical, HV, electrical, fire/life safety and plumbing systems and equipment) which serve the Premises and/or the Common Areas (as defined below) are not in compliance with the Americans with Disabilities Act of 1990 or other Applicable Laws (as defined below) in effect as of such date, as such non-compliance shall be determined on an unoccupied basis without regard to Tenant's use or proposed use of the Premises or any alterations or improvements to be completed by or for Tenant in the Premises, and/or (ii) Base Building systems and equipment (including the mechanical, HV, electrical, fire/life safety and plumbing systems and equipment) which serve the Premises are not in good order, condition and repair, and (B) Tenant becomes aware thereof and delivers to Landlord written notice (the "**Non-Compliance Notice**") of (1) such non-compliance with Applicable Laws described in clause (i) hereinabove on or before the date which is six (6) months after the Lease Commencement Date, and/or (2) such Base Building systems and equipment not being in such condition described in clause (ii) hereinabove (each, a "**Non-Compliance Condition**") on or before the date which is sixty (60) days after the Commencement Date (each date in clause (1) and (2) hereinabove, a "**Noncompliance Outside Date**"), then Tenant's sole remedy shall be that Landlord shall, at Landlord's sole cost and expense (which shall not be included in Operating Expenses), do that which is necessary to correct the applicable Non-Compliance Condition within a reasonable period of time after Landlord's receipt of the applicable Non-Compliance Notice. If Tenant fails to deliver the applicable Non-Compliance Notice to Landlord on or prior to the applicable Non-Compliance Outside Date therefor, Landlord shall have no obligation to perform the work described hereinabove (but such release of such obligation shall not relieve Landlord of its other obligations under this Lease). Tenant acknowledges that Tenant has satisfied itself, by its own independent investigation, that the Premises are suitable for Tenant's intended use of the Premises, and that except as otherwise expressly provided herein, neither Landlord nor Landlord's agents have made any representation or warranty as to the present or future suitability of the Premises, Common Areas or Building in connection with the operation of Tenant's business. Tenant also acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty (x) regarding the

condition of the Premises or the Building or with respect to the suitability of any of the foregoing for the conduct of Tenant's business, except as specifically set forth in this Lease or (y) that the Permitted Use set forth in Section 7 of the Summary is suitable for Tenant's intended use of the Premises. Possession of the Premises shall be deemed tendered to Tenant ("**Tender of Possession**") upon the date that Tenant has reasonable access to the Premises which shall be evidenced by delivery of a key to Tenant. Tenant hereby accepts possession of the Premises subject to all applicable zoning, municipal, county and state laws, ordinances and regulations governing and regulating Tenant's use of the Premises, and any applicable easements, covenants or restrictions of record, and accepts this Lease subject thereto (including, without limitation, all matters disclosed thereby). Except as otherwise expressly provided herein the taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Building were at such time in good and sanitary order, condition and repair. The term "**Building,**" as used in this Lease, shall mean (I) the building set forth in Section 2.1 of the Summary, (II) the "Common Areas," and (III) the land (which is improved with landscaping, parking facilities and other improvements) upon which the Building and the Common Areas are located. Tenant shall have the non-exclusive right to use in common with other tenants in the Building, and subject to the rules and regulations referred to in Article 5 of this Lease, those portions of the Building which are provided, from time to time, for use in common by Landlord, Tenant and any other tenants of the Building (such areas, together with such other portions of the Building designated by Landlord, in its discretion, including certain areas designated for the exclusive use of certain tenants, or to be shared by Landlord and certain tenants, are collectively referred to herein as the "**Common Areas**"). The manner in which the Common Areas are maintained and operated shall be in a first class manner and the use thereof shall be subject to such rules, regulations and restrictions as Landlord may reasonably make from time to time. Landlord reserves the right to close temporarily, make alterations or additions to, or change the location of elements of the Building, including, without limitation, the Common Areas provided that in no event shall such changes materially and adversely affect Tenant's occupancy of or access to the Premises. Subject to the terms and conditions of this Lease, Tenant shall have access to its Premises twenty four (24) hours per day, seven (7) days per week.

ARTICLE 2

INITIAL LEASE TERM; OPTION TERM

2.1 **Initial Lease Term**. The terms and provisions of this Lease shall be effective as of the date of this Lease. The term of this Lease (the "**Lease Term**") shall be as set forth in Section 3.1 of the Summary, shall commence on the date set forth in Section 3.2 of the Summary (the "**Lease Commencement Date**"), and shall terminate on the date set forth in Section 3.3 of the Summary (the "**Lease Expiration Date**") unless this Lease is sooner terminated as hereinafter provided. For purposes of this Lease, the term "**Lease Year**" shall mean each consecutive twelve (12) month period during the Lease Term, provided, however, that the first Lease Year shall commence on the Lease Commencement Date and end on the last day of the eleventh month following the date in which the Lease Commencement Date occurs and the second and each succeeding Lease Year shall commence on the first day of the next calendar month; and further provided that the last Lease year shall end on the Lease Expiration Date.

2.2 **Delay in Delivery of Premises**. If Landlord is unable to deliver possession of the Premises to Tenant on or before the Lease Commencement Date for any reason (including, without limitation, the existing tenant's failure to vacate and deliver exclusive possession of the Premises to Landlord), Landlord shall not be subject to any liability for its failure to do so. This failure shall not affect the validity of this Lease or the obligations of Tenant under it, but the Lease Term shall not commence (and the Lease Commencement Date shall not occur) until the date on which Landlord delivers possession of the Premises to Tenant, and Tenant shall not be liable for any Rent (as such term is defined in Section 4.1 below) due hereunder until the Lease Commencement Date. Notwithstanding anything to the contrary contained in this Lease, if Landlord is unable to tender possession of the Premises to Tenant on or before December 15, 2013 (the "**Delivery Termination Date**"), as such date shall be extended day for day for each day Landlord is delayed in causing the Premises possession of the Premises to be delivered to Tenant as a result of any Force Majeure delays and/or the acts and/or omissions of Tenant and Tenant's agents, employees and contractors, Tenant may terminate this Lease by delivering to Landlord written termination notice on or prior to the date which is the earlier of (A) the date which is ten (10) days following the Delivery Termination Date (as may be so extended) or (B) the date upon which Landlord tenders possession of the Premises to Tenant. The termination right afforded to Tenant under this Section 2.2 shall be Tenant's sole and exclusive remedy for Landlord's failure to tender possession of the Premises to Tenant on or before the Delivery Termination Date, as it may be extended as provided hereinabove. Time is of the essence for the delivery of Tenant's termination notice under this Section 2.2; accordingly, if Tenant fails to timely deliver such notice, Tenant's right to terminate this Lease shall expire and be of no further force or effect as of the date Tenant fails to timely deliver such termination notice. If Tenant properly and timely terminates this Lease pursuant to this Section 2.2, then Landlord shall promptly refund to Tenant any prepaid Rent and Security Deposit previously paid to Landlord by Tenant under this Lease.

2.3 **Option Term**.

2.3.1 **Option Right**. Landlord hereby grants the Tenant named herein ("**Original Tenant**") and its "Affiliates" (as that term is defined in Section 14.8 below) during the initial lease term only one (1) option to extend the Lease Term for the entire Premises by a period of three (3) years ("**Option Term**"). Such option shall be exercisable only by delivery of an Exercise Notice (as hereinafter defined) given in accordance with the procedures for Notices in Section 29.18 below) delivered by Tenant to Landlord as provided in Section 2.3.3 below, provided that, as of the date of delivery of such Exercise Notice and continuing until the commencement of the Option Term, all of the following conditions exist:

(a) Tenant is not in default under this Lease (beyond any applicable notice and cure period provided in this Lease);

(b) Tenant has not committed a non-curable breach, including without limitation those described in Section 19.1 of this Lease; and

(c) Tenant has reasonable financial worth and/or financial stability as demonstrated by Tenant's delivery of information to Landlord in accordance with Article 17 of this Lease. For purposes of this Section 2.3.1(b), "reasonable financial worth and/or financial stability" shall mean a net worth which is sufficient to meet Tenant's obligations under this Lease

during the Option Term, as determined by Landlord in Landlord's reasonable and good faith discretion. If Tenant does not have audited financial statements, net worth and net income shall be reasonably determined by Landlord in accordance with GAAP.

Upon the proper exercise of such option to extend, and provided that, as of the end of the Lease Term, Tenant is not in default under this Lease (beyond any applicable notice and cure periods provided in this Lease), the Lease Term, as it applies to the entire Premises, shall be extended for a period of three (3) years. The rights contained in this Section 2.3 shall only be exercised by the Original Tenant or its Affiliate (and not any other assignee, sublessee or other transferee of the Original Tenant's interest in this Lease) if the Original Tenant and/or its Affiliate is in occupancy of the entire then-existing Premises. Notwithstanding anything to the contrary in this paragraph, upon the delivery by Tenant of the Exercise Notice, Tenant shall be irrevocably bound to the extended term unless Landlord elects in writing not to extend such term due to a failure of a condition precedent to Tenant's right to extend or due to the failure of Tenant to timely proceed with the provisions of this paragraph.

2.3.2 **Option Rent**. The Rent payable by Tenant during the Option Term (the "**Option Rent**") shall be equal to the Market Rent as set forth below. For purposes of this Lease, the term "Market Rent" shall mean rent (including additional rent and considering any "base year" or "expense stop" applicable thereto), including all escalations, at which tenants, as of the commencement of the term are, pursuant to transactions completed within the three (3) months prior to or four (4) months after the first day of the Option Term, leasing non-sublease, non-encumbered, non-synthetic, non-equity space (unless such space was leased pursuant to a definition of "fair market" comparable to the definition of Market Rent) comparable in size, location and quality to the Premises for a "Comparable Term," as that term is defined in this Section 2.3.2 (the "**Comparable Deals**"), which comparable space is located in the Building, or if there is an insufficient number of comparable tenants within the Building, then within the "Comparable Buildings," as that term is defined in this Section 2.3.2, giving appropriate consideration to the annual rental rates per rentable square foot, the standard of measurement by which the rentable square footage is measured, the ratio of rentable square feet to usable square feet, and taking into consideration only, and granting only, the following concessions (provided that the rent payable in Comparable Deals in which the terms of such Comparable Deals are determined by use of a discounted fair market rate formula shall be equitably increased in order that such Comparable Deals will not reflect a discounted rate) (collectively, the "**Rent Concessions**"): (a) rental abatement concessions, if any, being granted such tenants in connection with such comparable spaces, (b) tenant improvements or allowances provided or to be provided for such comparable space, taking into account the value of the existing improvements in the Premises, such value to be based upon the age, quality and layout of the improvements and the extent to which the same could be utilized by general office users as contrasted with this specific Tenant, (c) Proposition 13 protection, (d) rent increase schedule, and (e) all other monetary considerations in connection with such comparable space; provided, however, that notwithstanding anything to the contrary herein, no consideration shall be given to the fact that Landlord is or is not required to pay a real estate brokerage commission in connection with the applicable term or the fact that the Comparable Deals do or do not involve the payment of real estate brokerage commissions. The term "**Comparable Term**" shall refer to the length of the lease term, without consideration of options to extend such term, for the space in question. In addition, the determination of the Market Rent shall include a determination as to whether, and if

so to what extent, Tenant must provide Landlord with financial security, such as a letter of credit or guaranty, for Tenant's rent obligations during any Option Term. Such determination shall be made by reviewing the extent of financial security then generally being imposed in Comparable Deals upon tenants of comparable financial condition and credit history to the then existing financial condition and credit history of Tenant (with appropriate adjustments to account for differences in the then existing financial condition of Tenant, as demonstrated by Tenant's delivery of information to Landlord in accordance with of this Lease and such other tenants). The term "**Comparable Buildings**" shall mean the Building and other similar class B buildings which are comparable to the Building in terms of age (based upon the date of completion of construction or major renovation as to the building containing the portion of the Premises in question), quality of construction, level of services and amenities, size and appearance, and are located in the West SOMA area of San Francisco, CA. (the "**Comparable Area**").

2.3.3 **Exercise of Option**. The option contained in this Section 2.3 shall be exercised by Tenant, if at all, only in the manner set forth in this Section 2.3.3. Tenant shall deliver notice (the "**Exercise Notice**") to Landlord not more than nine (9) months nor less than six (6) months prior to the expiration of the Lease Term, unequivocally stating the following: "**Tenant is hereby exercising its option**." Landlord shall deliver notice (the "**Landlord's Option Rent Calculation Notice**") to Tenant on or before the date which is later of (i) thirty (30) days after Landlord's receipt of the Exercise Notice and (ii) the date that is two (2) months prior to the expiration of the Lease Term (the "**Landlord Response Date**") setting forth Landlord's calculation of the Market Rent (the "**Landlord's Option Rent Calculation**"). Within ten (10) business days of its receipt of Landlord's Option Rent Calculation, Tenant may, at its option, accept the Market Rent contained in the Landlord's Option Rent Calculation. If Tenant does not affirmatively accept or Tenant rejects the Market Rent specified in the Landlord's Option Rent Calculation, the parties shall follow the procedure, and the Market Rent shall be determined as set forth in Section 2.3.4.

2.3.4 **Determination of Market Rent**. In the event Tenant objects or is deemed to have objected to the Market Rent, Landlord and Tenant shall attempt to agree upon the Market Rent using reasonable good-faith efforts. If Landlord and Tenant fail to reach agreement within ten (10) business days following Tenant's objection or deemed objection to the Landlord's Option Rent Calculation (the "**Outside Agreement Date**"), then (i) in connection with the Option Rent, Landlord's Option Rent Calculation and Tenant's Option Rent Calculation, each as previously delivered to the other party, shall be submitted to binding arbitration pursuant to the TCCs of this Section 2.3.4, and (ii) in connection with any other contested calculation of market Rent, the parties shall each make a separate determination of the Market Rent and shall submit the same to the arbitrators pursuant to the TCCs of this Section 2.3.4. Such submittals shall be submitted to arbitration in accordance with Section 2.3.4.1 through 2.3.4.3 of this Lease, but subject to the conditions, when appropriate, of Section 2.3.3, above.

2.3.4.1 Pursuant to this Section 2.3.4, Landlord's Option Rent Calculation and Tenant's Option Rent Calculation shall each be submitted to binding arbitration to be held in accordance with the Commercial Arbitration Rules and Procedures of the San Francisco chapter of JAMs, provided, however, that the arbitrator shall by profession be a MAI certified Appraiser who shall have been active over the previous three (3) years in the valuation of similar commercial properties located in the vicinity of the Building. In the event the parties

cannot reach an agreement in connection with the appointment of the arbitrator then, within ten (10) days after written notice by Landlord or Tenant to the other party of such disagreement, the appointment of the arbitrator shall be made as quickly as possible by JAMs. Both parties shall equally advance the costs of the Arbitration. The Option Rent shall be decided by the Arbitrator; provided, however that such Option Rent shall not exceed the range established by Landlord and Tenant's submission of Landlord's Option Rent Calculation and Tenant's Option Rent Calculation, respectively. **The MAI certified Appraisers shall each prepare an appraisal of the Market Rent pursuant to the conditions herein provided. The Arbitrators decision shall be the middle of the three appraised Market rents.** In the event the parties cannot reach an agreement in connection with the appointment of the arbitrator then, within ten (10) days after written notice by Landlord or Tenant to the other party of such disagreement, the appointment of a neutral arbitrator shall be made as quickly as possible by JAMs. The parties may elect by mutual agreement to use only one appraiser. Notwithstanding the foregoing, for spaces under 20,000 rentable square feet, Landlord may elect at its option (but shall have no obligation so to do) to have the Market Rent and terms decided by an appraisal conducted by an MAI certified Appraiser ("**Fast Track Appraiser**") who shall act as arbitrator and who meets the qualification as otherwise specified in this paragraph. The Fast Track Appraiser shall be selected by Landlord within ten (10) business days of Landlord's election to pursue appointment of such Fast Track Appraiser. The Fast Track Appraiser shall have no relationship or past business relations with either party. Following the appointment of the Fast Track Appraiser, Landlord's Option Rent Calculation and Tenant's Option Rent Calculation shall promptly be delivered to such Fast Track Appraiser. Within fifteen (15) business days following the Fast Track Appraiser's receipt of Landlord's Option Rent Calculation and Tenant's Option Rent Calculation, the Fast Track Appraiser shall determine whether the Landlord's Option Rent Calculation or Tenant's Option Rent Calculation as submitted is closest to the actual Market Rent for the space as reasonably determined by the Fast Track Appraiser. The Option Rent Calculation (as between Landlord's Option Rent Calculation and Tenant's Option Rent Calculation) that is closest to the Market Rent as determined by the Fast Track Appraiser shall be the Option Rent for the space during the Option Term. The determination of the Fast Track Appraiser shall be binding upon the parties. The Landlord shall administer the Fast Track Appraiser fairly in accordance with the terms herein and shall sign the engagement contract. Both parties shall equally advance and pay the costs of any such arbitration. Failure of one party to comply to advance and pay for the costs of any such arbitration shall result in a determination for the other party Option Rent.

2.3.4.2 In the event the Option Term commences prior to the arbitrator's determination of the Option Rent, for such period commencing on the first day of the Option Term and continuing through the date of the arbitrator's decision, Tenant shall pay the Option Rent set forth in Landlord's Option Rent Calculation and all other amounts to be paid by Tenant pursuant to the TCCs of this Lease, including, without limitation, Tenant's Share of Direct Expenses. If the Option Rent set forth in Landlord's Option Rent Calculation exceeds the Option Rent determined by the arbitrator, Landlord shall, within ten (10) days of the arbitrator's determination of the Option Rent, reimburse Tenant for the difference between (i) the aggregate Rent paid by Tenant since the commencement of the Option Term in connection with Landlord's Option Rent Calculation, and (ii) the aggregate Rent that would have been paid by Tenant had the Option Rent determined by the arbitrator been in effect as of the commencement of the Option Term. Thereafter, the Option Rent shall be adjusted annually on each anniversary of the commencement of the Option Term by 3% per year. The cost of arbitration shall be paid by the party whose

proposed Option Rent Calculation is farthest from that rate as determined by the Arbitrator ("**Non-Prevailing Party**"). In addition and not limited thereto, the Non-Prevailing Party shall reimburse the prevailing party any actual out of pocket costs advanced by the prevailing party to third parties in connection with the Option Rent Calculation and or related arbitration.

2.4 **Early Entry**. Provided that this Lease has been fully executed by all parties, and Tenant has delivered any prepaid rental, the Security Deposit and insurance certificates required hereunder, Landlord shall allow Tenant access to the Premises during the period (the "**Early Entry Period**") from the date Landlord delivers possession of the Premises to Tenant through and including the day before the Lease Commencement Date for the purpose of Tenant installing Tenant's furniture, fixtures, equipment (including telecommunications and cabling) and millwork in the Premises. Prior to Tenant's entry into the Premises as permitted by the terms of this Section 2.4, Tenant shall submit a schedule to Landlord for Landlord's approval, which schedule shall detail the timing and purpose of Tenant's empty. All of the terms and conditions of this Lease shall apply during the Early Entry Period, as though the Lease Commencement Date had occurred (although the Lease Commencement Date shall not actually occur until the date set forth in Section 3.2 of the Summary); provided, however, that Tenant shall not be obligated to pay any Base Rent or Tenant's Share of Direct Expenses during the Early Entry Period. Tenant shall hold Landlord harmless from and indemnify, protect and defend Landlord against any loss or damage to the Building or Premises and against injury to any persons caused by Tenant's actions pursuant to this Section 2.4.

ARTICLE 3

BASE RENT

Tenant shall pay, without prior notice or demand, to Landlord at such address as Landlord may from time to time designate in writing, by a check for currency which, at the time of payment, is legal tender for private or public debts in the United States of America, base rent ("**Base Rent**") as set forth in Section 4 of the Summary, payable in equal monthly installments as set forth in Section 4 of the Summary in advance on or before the first day of each and every calendar month during the Lease Term, without any setoff or deduction whatsoever. The Base Rent for the first full month of the Lease Term which occurs after the expiration of any free rent period shall be paid at the time of Tenant's execution of this Lease. If any Rent payment date (including the Lease Commencement Date) falls on a day of the month other than the first day of such month or if any payment of Rent is for a period which is shorter than one month, the Rent for any fractional month shall accrue on a daily basis for the period from the date such payment is due to the end of such calendar month or to the end of the Lease Term which amount shall equal the product of (i) applicable monthly Rent and (ii) a fraction, the numerator of which is the number of days of the applicable calendar month within the Lease Term and the denominator of which shall be the total number of days in such calendar month. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

ARTICLE 4

ADDITIONAL RENT

4.1 **General Terms**. In addition to paying the Base Rent specified in Article 3 of this Lease, Tenant shall pay "**Tenant's Share**" of the annual "**Direct Expenses**," as those terms are defined in Sections 4.2.2 and 4.2.6 of this Lease, respectively, which are in excess of the amount of Direct Expenses applicable to the "Base Year," as that term is defined in Section 4.2.1, below; provided, however, that in no event shall any decrease in Direct Expenses for any "**Expense Year**," as that term is defined in Section 4.2.3 below, below Direct Expenses for the Base Year entitle Tenant to any decrease in Base Rent or any credit against sums due under this Lease. Such payments by Tenant, together with any and all other amounts payable by Tenant to Landlord pursuant to the terms of this Lease (other than Base Rent), are hereinafter collectively referred to as the "**Additional Rent**", and the Base Rent and the Additional Rent are herein collectively referred to as "**Rent**." All amounts due under this Article 4 as Additional Rent shall be payable for the same periods and in the same manner as the Base Rent. Without limitation on other obligations of Tenant incurred during the Lease Term which survive the expiration of the Lease Term, the obligations of Tenant to pay the Additional Rent provided for in this Article 4 shall survive the expiration of the Lease Term. Notwithstanding any provision to the contrary contained in this Lease, any other monetary obligations payable by Tenant hereunder shall be considered Rent for purposes hereof. Notwithstanding anything to the contrary contained herein, Tenant shall not be responsible for payments of Direct Expenses for the first twelve (12) months of the Lease Term or during the Base Year.

4.2 **Definitions of Key Terms Relating to Additional Rent**. As used in this Article 4, the following terms shall have the meanings hereinafter set forth:

4.2.1 "**Base Year**" shall mean the period set forth in Section 5 of the Summary.

4.2.2 "**Direct Expenses**" shall mean "**Operating Expenses**" and "**Tax Expenses**," as those terms are defined in this Section 4.2 below.

4.2.3 "**Expense Year**" shall mean each calendar year in which any portion of the Lease Term falls, through and including the calendar year in which the Lease Term expires, provided that Landlord, upon notice to Tenant, may change the Expense Year from time to time to any other twelve (12) consecutive month period, and, in the event of any such change, Tenant's Share of Direct Expenses shall be equitably adjusted for any Expense Year involved in any such change.

4.2.4 "**Operating Expenses**" shall mean all expenses, costs and amounts of every kind and nature which Landlord pays or accrues during any Expense Year because of or in connection with the ownership, management, maintenance, security, repair, replacement, restoration or operation of the Building, or any portion thereof in accordance with sound accounting principles, consistently applied. Without limiting the generality of the foregoing, Operating Expenses shall specifically include any and all of the following: (i) the cost of supplying all utilities, the cost of operating, repairing, maintaining, and renovating the utility, telephone, mechanical, sanitary, storm drainage, and elevator systems, and the cost of maintenance and

service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections and the cost of contesting any governmental enactments which may affect Operating Expenses, and the costs incurred in connection with a transportation system management program or similar program; (iii) the cost of all insurance carried by Landlord or the property manager in connection with the Building; provided, however, that Tenant's Share of insurance deductibles included in Operating Expenses shall not exceed $10,000.00 in any particular Expense Year; (iv) the cost of landscaping, relamping, all supplies, tools, equipment and materials used in the operation, repair and maintenance of the Building or any portion thereof, (v) costs incurred in connection with the parking areas servicing the Building; (vi) fees and other costs, including management and/or incentive fees, consulting fees, legal fees and accounting fees, of all contractors and consultants in connection with the management, operation, maintenance and repair of the Building; (vii) payments under any equipment rental agreements and the fair rental value of any management office space and the cost of furnishings in such management office space; (viii) wages, salaries and other compensation and benefits, including taxes levied thereon, of all persons engaged in the operation, maintenance and security of the Building; (ix) costs under any instrument pertaining to the sharing of costs by the Building; (x) operation, repair, maintenance and replacement of all systems and equipment and components thereof of the Building; (xi) the cost of alarm, security and other services, replacement of wall and floor coverings, ceiling tiles and fixtures in common areas, maintenance and replacement of curbs and walkways, repair to roofs and re-roofing; (xii) amortization (including interest on the unamortized cost) of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Building, or any portion thereof; (xiii) the cost of capital improvements or repairs or other costs incurred in connection with the Building (A) to the extent reasonably anticipated to effect economies in the operation or maintenance of the Building, or any portion thereof, or reduce current or future Operating Expenses, (B) that are required to comply with present or anticipated conservation programs, or (C) that are required under any governmental law or regulation first enacted after the Lease Commencement Date; provided, however, that any capital expenditure shall be amortized (including interest on the amortized cost) over its useful life as Landlord shall reasonably determine and replacements of equipment or improvements shall be amortized as follows: (1) replacements of equipment or improvements that have a useful life at commercially accepted rates of five (5) years or more, shall be amortized over such life according to the reasonable judgment of Landlord (including interest on the unamortized balance) and (2) replacements and improvements that have a useful life of five (5) years or less shall be amortized according to the reasonable judgment of Landlord, (xiv) costs, fees, charges or assessments imposed by, or resulting from any mandate imposed on Landlord by, any federal, state or local government for fire and police protection, trash removal, community services, or other services which do not constitute "Tax Expenses" as that term is defined in Section 4.2.5.1, below; and (xv) payments under any easement, license, operating agreement, declaration, restrictive covenant, or instrument pertaining to the sharing of costs by the Building. If Landlord is not furnishing any particular work or service (the cost of which, if performed by Landlord, would be included in Operating Expenses) to a tenant who has undertaken to perform such work or service in lieu of the performance thereof by Landlord, Operating Expenses shall be deemed to be increased by an amount equal to the additional Operating Expenses which would reasonably have been incurred during such period by Landlord if it had at its own expense furnished such work or service to such tenant. If the Building is not at least ninety-five percent (95%) occupied during all or a portion of the Base Year or any Expense Year, Landlord shall make an appropriate adjustment

to the components of Operating Expenses that vary based on occupancy for such year to determine the amount of Operating Expenses that would have been incurred had the Building been ninety-five percent (95%) occupied; and the amount so determined shall be deemed to have been the amount of Operating Expenses for such year; provided, however, Landlord shall not collect Operating Expenses from Tenant and all other tenants/occupants in the Project in an amount in excess of what Landlord incurred for the items included in Operating Expenses. Operating Expenses for the Base Year shall not include market-wide cost increases due to extraordinary circumstances, including, but not limited to, Force Majeure, boycotts, strikes, conservation surcharges, embargoes or shortages, or amortized costs relating to capital improvements. In no event shall the components of Direct Expenses for any Expense Year related to Building utility, services, or insurance costs be less than the components of Direct Expenses related to Building utility, services, or insurance costs in the Base Year. If Landlord eliminates (as opposed to shifts or combines with another category) from any subsequent year a recurring category of expenses previously included in Operating Expenses for the Base Year, Landlord may subtract such category from Base Year Operating Expenses commencing with such subsequent year. If Landlord adds to any subsequent year a new or additional category of expenses not included in Operating Expenses for the Base Year ("**New Category**"), Landlord shall add such category (and the amount corresponding thereto) to Base Year Operating Expenses commencing with such subsequent year (and if expenses pertaining to such New Category were incurred during a period that is a portion of an Expense Year, the amount included in the Base Year shall be grossed up to represent expenses for a full Expense Year for both the Base Year and the Expense Year in which expenses for the New Category are first incurred). Notwithstanding the forgoing, in no event shall the Excess payable by Tenant for any Expense Year following the Base Year but preceding the Expense Year in which the New Category occurs be retroactively adjusted as a result of such increase in the Base Year, and in no event shall Tenant be entitled to a credit as a result of such increase. Operating Expenses shall not include the items listed on **Exhibit "C"** attached hereto and made a part hereof.

4.2.5 **Taxes**.

4.2.5.1 "**Tax Expenses**" shall mean all federal, state, county, or local governmental or municipal taxes, fees, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary, (including, without limitation, real estate taxes, general and special assessments, transit taxes, leasehold taxes or taxes based upon the receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, unless required to be paid by Tenant, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Building, or any portion thereof), which shall be paid or accrued during any Expense Year (without regard to any different fiscal year used by such governmental or municipal authority) because of or in connection with the ownership, leasing and operation of the Building, or any portion thereof.

4.2.5.2 Tax Expenses shall include, without limitation: (i) any tax on the rent, right to rent or other income from the Building, or any portion thereof, or as against the business of leasing the Building, or any portion thereof; (ii) any assessment, tax, fee, levy or charge in addition to, or in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property tax, it being acknowledged by Tenant

and Landlord that Proposition 13 was adopted by the voters of the State of California in the June 1978 election ("**Proposition 13**") and that assessments, taxes, fees, levies and charges may be imposed by governmental agencies for such services as fire protection, street, sidewalk and road maintenance, refuse removal and for other governmental services formerly provided without charge to property owners or occupants, and, in further recognition of the decrease in the level and quality of governmental services and amenities as a result of Proposition 13, Tax Expenses shall also include any governmental or private assessments or the Building's contribution towards a governmental or private cost-sharing agreement for the purpose of augmenting or improving the quality of services and amenities normally provided by governmental agencies; (iii) any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises or the Rent payable hereunder, including, without limitation, any business or gross income tax or excise tax with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof; (iv) any assessment, tax, fee, levy or charge, upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises; and (v) all of the real estate taxes and assessments imposed upon or with respect to the Building.

4.2.5.3 Any reasonable costs and expenses (including, without limitation, reasonable attorneys' and consultants' fees) incurred in attempting to protest, reduce or minimize Tax Expenses shall be included in Tax Expenses in the Expense Year such expenses are incurred. If Tax Expenses for any period during the Lease Term or any extension thereof are increased after payment thereof for any reason, including, without limitation, error or reassessment by applicable governmental or municipal authorities, Tenant shall pay Landlord within thirty (30) days of Landlord's written demand Tenant's Share of any such increased Tax Expenses included by Landlord as Building Tax Expenses pursuant to the terms of this Lease. Notwithstanding anything to the contrary contained in this Section 4.2.5 (except as set forth in Section 4.2.5.1, above), there shall be excluded from Tax Expenses (i) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes to the extent applicable to Landlord's general or net income (as opposed to rents, receipts or income attributable to operations at the Building), (ii) any items included as Operating Expenses, (iii) any items paid by Tenant under Section 4.4 of this Lease, and (iv) any fines or penalties due to late payments by Landlord.

4.2.5.4 The amount of Tax Expenses for the Base Year attributable to the valuation of the Building, inclusive of tenant improvements, shall be known as the "**Base Taxes**". If in any comparison year subsequent to the Base Year, the amount of Tax Expenses decreases below the amount of Base Taxes, then for purposes of all subsequent comparison years, including the comparison year in which such decrease in Tax Expenses occurred, the Base Taxes, and therefore the Base Year, shall be decreased by an amount equal to the decrease in Tax Expenses. For purposes of this Lease, Tax Expenses shall be calculated as if (i) the tenant improvements in the Building were fully constructed, and (ii) the Building and all tenant improvements therein were fully assessed for real estate tax purposes. Landlord agrees that to the extent the Building is reassessed (the "**Reassessment**") for real estate tax purposes by the appropriate governmental authority pursuant to the terms of Proposition 13 as a result of the sale of the Building to Landlord in September, 2013, then notwithstanding the date the Reassessment

occurs, the portion of the Tax Expenses, as calculated immediately following the Reassessment, which is attributable solely to the Reassessment shall be included in the Base Taxes.

4.2.6 "**Tenant's Share**" shall mean the percentage set forth in Section 6 of the Summary.

4.3 **Calculation and Payment of Additional Rent**. If for any Expense Year ending or commencing within the Lease Term, Tenant's Share of Direct Expenses for such Expense Year exceeds Tenant's Share of Direct Expenses applicable to the Base Year, then Tenant shall pay to Landlord, in the manner set forth in Section 4.3.1, below, and as Additional Rent, an amount equal to the excess (the "**Excess**").

4.3.1 **Statement of Actual Direct Expenses and Payment by Tenant**. Landlord shall endeavor to give to Tenant following the end of each Expense Year, a statement (the "**Statement**") which shall state in general major categories the Direct Expenses incurred or accrued for the Base Year or such preceding Expense Year, as applicable, and which shall indicate the amount of the Excess. Landlord shall use commercially reasonable efforts to deliver such Statement to Tenant on or before May 1 following the end of the Expense Year to which such Statement relates. Upon receipt of the Statement for each Expense Year commencing or ending during the Lease Term, if an Excess is present, Tenant shall pay, within thirty (30) days after receipt of the Statement, the full amount of the Excess for such Expense Year, less the amounts, if any, paid during such Expense Year as "Estimated Excess," as that term is defined in Section 4.3.2, below, and if Tenant paid more as Estimated Excess than the actual Excess, Tenant shall receive a credit in the amount of Tenant's overpayment against Rent next due under this Lease or Landlord shall refund the same to Tenant within thirty (30) days following the delivery of the Statement to Tenant if this Lease has terminated. The failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord or Tenant from enforcing its rights under this Article 4, provided that the Statement is first delivered to Tenant no later than eighteen months following the Expense Year, except that in any event Tenant shall be responsible for Tenant's Share of Direct Expenses levied by any governmental authority or by any public utility companies at any time following the Lease Expiration Date which are attributable to any Expense Year. Even though the Lease Term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's Share of Direct Expenses for the Expense Year in which this Lease terminates, if an Excess is present, Tenant shall, within thirty (30) days after receipt of the Statement, pay to Landlord such amount, and if Tenant paid more as Estimated Excess than the actual Excess, Landlord shall, with the statement, deliver a check payable to Tenant in the amount of the overpayment. The provisions of this Section 4.3.1 shall survive the expiration or earlier termination of the Lease Term.

4.3.2 **Statement of Estimated Direct Expenses**. In addition, Landlord shall give Tenant a yearly expense estimate statement (the "**Estimate Statement**") which shall set forth in general major categories Landlord's reasonable estimate (the "**Estimate**") of what the total amount of Direct Expenses for the then-current Expense Year shall be and the estimated excess (the "**Estimated Excess**") as calculated by comparing the Direct Expenses for such Expense Year, which shall be based upon the Estimate, to the amount of Direct Expenses for the Base Year. Landlord shall use commercially reasonable efforts to deliver such Estimate Statement to Tenant on or before May l following the end of the Expense Year to which such Estimate Statement

relates. The failure of Landlord to timely furnish the Estimate Statement for any Expense Year shall not preclude Landlord from enforcing its rights to collect any Additional Rent Estimated Excess under this Article 4, nor shall Landlord be prohibited from revising any Estimate Statement or Estimated Excess theretofore delivered to the extent necessary. Thereafter, Tenant shall pay, within thirty (30) days after receipt of the Estimate Statement, with its next installment of Base Rent due, a fraction of the Estimated Excess for the then-current Expense Year (reduced by any amounts paid pursuant to the second to last sentence of this Section 4.3.2). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year, including the month of such payment, and twelve (12) as its denominator. Until a new Estimate Statement is furnished (which Landlord shall have the right to deliver to Tenant at any time), Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the total Estimated Excess set forth in the previous Estimate Statement delivered by Landlord to Tenant. Throughout the Lease Term Landlord shall maintain books and records with respect to Direct Expenses in accordance with generally accepted real estate accounting and management practices, consistently applied. In addition, Landlord shall give Tenant a yearly expense estimate statement (the "**Estimate Statement**") which shall set forth in general major categories Landlord's reasonable estimate (the "**Estimate**") of what the total amount of Direct Expenses for the then-current Expense Year shall be and the estimated Tenant's Share of Direct Expenses (the "**Estimated Direct Expenses**"). Landlord shall use commercially reasonable efforts to deliver such Estimate Statement to Tenant on or before May 1 following the end of the Expense Year to which such Estimate Statement relates. The failure of Landlord to timely furnish the Estimate Statement for any Expense Year shall not preclude Landlord from enforcing its rights to collect any Estimated Direct Expenses under this Article 4, nor shall Landlord be prohibited from revising any Estimate Statement or Estimated Direct Expenses theretofore delivered to the extent necessary. Thereafter, Tenant shall pay, within thirty (30) days after receipt of the Estimate Statement, a fraction of the Estimated Direct Expenses for the then-current Expense Year (reduced by any amounts paid pursuant to the second to last sentence of this Section 4.3.2). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year, including the month of such payment, and twelve (12) as its denominator. Until a new Estimate Statement is furnished (which Landlord shall have the right to deliver to Tenant at any time), Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the total Estimated Direct Expenses set forth in the previous Estimate Statement delivered by Landlord to Tenant. Tenant's initial monthly installment (the "**Initial Estimated Monthly Expense Reimbursement**") in connection with the Estimated Direct Expenses as of the date hereof shall equal the amount set forth in Section 14 of the Summary. Throughout the Lease Term Landlord shall maintain books and records with respect to Direct Expenses in accordance with generally accepted real estate accounting and management practices, consistently applied.

4.3.3 **Janitorial and Utilities and Refuse**. Notwithstanding any provision to the contrary contained in this Lease, Tenant shall be responsible for all costs relating to Tenant's utilities and janitorial services (including, without limitation, light bulb replacements) required in connection with the Common Areas of the Building and Premises and for light maintenance for the Premises, and, notwithstanding any provision to the contrary contained in Article 6 of this Lease. In addition, Tenant shall pay Tenant's pro rata share of the costs relating to the disposal of the Building's refuse. In the event that the utilities (including, without limitation, electricity, gas, refuse, and water) supplied to the Premises are not separately metered, Tenant shall pay, as

Additional Rent, Tenant's pro rata share of the costs incurred in connection with such utilities for the Building (including the Common Areas), until such time as the same are separately metered in connection with the Premises (in which case the Tenant shall only pay for its own utilities to the Premises and its pro rata share of utilities to the Common Areas). In the event that Tenant provides its own janitorial for the Premises, Tenant shall only reimburse its pro rata share of janitorial costs for the Common Areas. If the Tenant does not provide its own janitorial for the Premises requests in writing that Landlord provide such services, Tenant shall pay for Landlord's cost to provide such janitorial services for the Premises and its pro rata share of janitorial costs for the Common Areas. Notwithstanding the foregoing, Tenant shall pay a monthly estimated amount (the "**Utilities/Janitorial/Refuse Reimbursement**") in connection with Landlord's estimate of Tenant's obligations to reimburse utilities, Common Area janitorial and refuse equal to $2,263.92 per month or such other reasonable estimate as Landlord shall designate from time to time (but not more than twice during any Expense Year). Landlord shall deliver to Tenant within ninety (90) days after the expiration of each calendar year, a statement (the "**Annual Statement**") showing Tenant's actual obligations incurred during the year for Utilities/Janitorial/Refuse. If the amount of the Utilities/Janitorial/Refuse Reimbursement paid by Tenant during such year is less than Tenant's obligations for such year as shown on the Annual Statement, Tenant shall pay to Landlord the difference within thirty (30) days after Landlord's delivery of the Annual Statement to Tenant. If the amount of the Utilities/Janitorial/Refuse Reimbursement paid by Tenant during such year exceeds Tenant obligation for such year as shown on the Annual Statement, Tenant shall be entitled to a credit in the amount of such overpayment against Tenant's payment that is next due or Landlord shall refund the same to Tenant within thirty (30) days following the delivery of the Annual Statement to Tenant if this Lease has terminated. No delay by Landlord in billing Tenant for Tenant's obligations for Utility/Janitorial/Refuse shall be deemed a default by Landlord or a waiver of Landlord's right to require payment therefor.

In the event Tenant fails to perform its duties under this Section 4.3.3 beyond the expiration or applicable notice and cure period, Landlord may at its option, and in addition to any other remedy allowed in the Lease, with ten (10) business days after written notice to Tenant (or in the case of an emergency, without notice), perform such duty or obligation on Tenant's behalf. The cost and expenses of any such performance by Landlord shall be due and payable by Tenant to Landlord within thirty (30) days after Tenant's receipt of invoice thereof.

4.4 **Taxes and Other Charges for Which Tenant Is Directly Responsible**.

4.4.1 Tenant shall be liable for and shall pay ten (10) days before delinquency, taxes levied against Tenant's equipment, furniture, fixtures and any other personal property located in or about the Premises. If any such taxes on Tenant's equipment, furniture, fixtures and any other personal property are levied against Landlord or Landlord's property or if the assessed value of Landlord's property is increased by the inclusion therein of a value placed upon such equipment, furniture, fixtures or any other personal property and if Landlord pays the taxes based upon such increased assessment, which Landlord shall have the right to do regardless of the validity thereof but only under proper protest if requested by Tenant, Tenant shall upon demand repay to Landlord the taxes so levied against Landlord or the proportion of such taxes resulting from such increase in the assessment, as the case may be.

4.4.2 If the tenant improvements in the Premises, whether installed and/or paid for by Landlord on behalf of Tenant or by Tenant and whether or not affixed to the real property so as to become a part thereof, are assessed for real property tax purposes at a valuation higher than the valuation at which tenant improvements conforming to Landlord's "building standard" in other space in the Building are assessed, then the Tax Expenses levied against Landlord or the property by reason of such excess assessed valuation shall be deemed to be taxes levied against personal property of Tenant and shall be governed by the provisions of Section 4.4.1, above.

4.4.3 Notwithstanding any contrary provision herein, Tenant shall pay prior to delinquency any (i) rent tax or sales tax, service tax, transfer tax or value added tax, or any other applicable tax on the rent or services herein or otherwise respecting this Lease, (ii) taxes assessed upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion of the Building, including the Building parking facility; or (iii) taxes assessed upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

4.5 **Landlord's Books and Records**. Upon Tenant's written request given not more than ninety (90) days after Tenant's receipt of a Statement for a particular Expense Year, and provided that Tenant is not then in default under this Lease beyond the applicable cure period provided in this Lease, Landlord shall provide Tenant with an accountant's statement (the "**Accountant's Statement**") concerning the Direct Expenses for such Expense Year (and the Base Year) from Landlord's accountants (including, without limitation, Landlord's in-house bookkeeper), and Landlord shall also furnish Tenant with such reasonable supporting documentation in connection with said Direct Expenses as Tenant may reasonably request. Landlord shall provide said information and the Accountant's Statement to Tenant within thirty (30) days after Tenant's written request therefor. The Accountant's Statement shall contain sufficient detail to enable Tenant to verify that the terms of exclusions and inclusions with respect to Direct Expenses, as set forth in this Lease, have been adhered to in computing the Excess payable by Tenant. In connection with such review of Landlord's records and documentation, Tenant and Tenant's agents (which agents must not be paid on a contingency fee) must agree in advance to follow Landlord's reasonable rules and procedures regarding a review of Landlord's records and documentation, and shall execute a commercially reasonable confidentiality agreement regarding the same. In the event Tenant, within thirty (30) days after receipt of the Accountant's Statement and any such reasonable supporting documentation, disputes the Direct Expenses and/or the Excess set forth in the Statement for the applicable Expense Year, then a certification as to the proper amount of such Direct Expenses and/or the Excess shall be made, at Tenant's expense, by an independent certified public accountant selected by Tenant (which accountant shall not have been previously engaged by Tenant during the preceding five (5) year period, and shall not be paid on a commission or contingency basis) and reasonably approved by Landlord, which certification shall be final and conclusive, if such certification determines that an error has been made, Tenant's sole remedy shall be for the parties to make such appropriate payments or reimbursements, as the case may be, (including interest on any such amount at an annual interest rate equal to the Prime Rate (as stated under the column "Money Rates" in The Wall Street Journal) plus two percent (2%); provided, however, in no event shall such annual interest rate exceed the highest annual interest rate permitted by "Applicable Law" as that term is defined in Article 24 of this Lease to each other as are determined to be owing, provided that any reimbursements payable by Landlord to Tenant may, at Landlord's option, instead be credited

against the Base Rent next coming due under this Lease unless the Lease Term has expired, in which event Landlord shall refund the appropriate amount to Tenant. Notwithstanding the foregoing, if the actual amount of Direct Expenses and/or the Excess due for that Expense Year, as determined by such certification, is determined to have been overstated by more than five percent (5%), then Landlord shall pay the costs associated with such certification. Tenant hereby acknowledges that Tenant's sole right to inspect Landlord's books and records and to contest the amount payable by Tenant under Article 4 of this Lease shall be as set forth in this Section 4.5, and Tenant hereby waives any and all other rights pursuant to Applicable Laws to inspect such books and records and/or to contest the amount payable by Tenant under Article 4 of this Lease.

ARTICLE 5

USE OF PREMISES

Tenant shall use the Premises solely for the Permitted Use set forth in Section 7 of the Summary and Tenant shall not use or permit the Premises or the Building to be used for any other purpose or purposes whatsoever without the prior written consent of Landlord, which may be withheld in Landlord's sole and absolute discretion. Tenant further covenants and agrees that Tenant shall not use, or suffer or permit any person or persons to use, the Premises or any part thereof for any use or purpose contrary to the provisions of the rules and regulations (the " Rules and Regulations") set forth in **Exhibit D**, attached hereto, or in violation of the laws of the United States of America, the State of California, or the ordinances, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Building) including, without limitation, any such laws, ordinances, regulations or requirements relating to hazardous materials or substances, as those terms are defined by Applicable Laws now or hereafter in effect. Tenant shall not do or permit anything to be done in or about the Premises which will in any way damage the reputation of the Building or obstruct or unreasonably interfere with the rights of other tenants or occupants of the Building, or injure them or use or allow the Premises to be used for any improper, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Landlord shall approve in writing any application or filing regarding the Premises prior to its submittal to any with a City, State, government, or regulatory agency.

ARTICLE 6

SERVICES AND UTILITIES

6.1 **Standard Tenant Services**. Landlord shall provide the following services on all days (unless otherwise stated below) during the Lease Term.

6.1.1 Subject to limitations imposed by all governmental rules, regulations and guidelines applicable thereto, Landlord shall provide heating and ventilation ("**HV**") when necessary for normal comfort for normal office use in the Premises from 8:00 A.M. to 6:00 P.M. Monday through Friday (collectively, the "**Building Hours**"), except for the date of observation of New Year's Day, Independence Day, Labor Day, Memorial Day, President's Day, Thanksgiving Day, Christmas Day and, at Landlord's discretion, other locally or nationally recognized holidays (collectively, the "**Holidays**"). Tenant acknowledges that there is no air conditioning provided by or at the expense of Landlord in the Premises or Common Areas.

6.1.2 Landlord shall provide adequate electrical wiring and facilities for connection to Tenant's lighting fixtures and incidental use equipment as well as sufficient electric power for Building-standard lighting serving the Premises, provided that (i) the connected electrical load of Tenant's incidental use equipment (exclusive of Tenant's lighting or Building-standard lighting) does not exceed an average of three (3) watts per usable square foot of the Premises calculated on a monthly basis, and the electricity so furnished for Tenant's incidental use equipment will be at a nominal one hundred twenty (120) volts and no electrical circuit for the supply of such incidental use equipment will require a current capacity exceeding twenty (20) amperes, and (ii) the connected electrical load of Tenant's lighting fixtures (exclusive of Building-standard lighting) does not exceed an average of one (1) watt per usable square foot of the Premises calculated on a monthly basis, and the electricity so furnished for Tenant's lighting (exclusive of Building-standard lighting) will be at a nominal two hundred seventy-seven (277) volts, which electrical usage shall be subject to Applicable Laws and regulations, including Title 24. Tenant shall bear the cost of replacement of lamps, starters and ballasts for non-Building standard lighting fixtures and non-tubular fluorescent bulbs within the Premises. Landlord may at its option use and or require Tenant to use compact fluorescent bulbs in any incandescent light fixtures. Tenant shall reasonably cooperate with Landlord in energy conservation, complying with any government mandated energy regulations and Landlord's commercially reasonable actions to convert Property to a "Green Building."

6.1.3 Landlord shall provide city water from the regular Building outlets for drinking, lavatory and toilet purposes, in each case in the Building Common Areas and hot and cold water for the kitchenette and applicable appliances located in the Premises.

6.1.4 Landlord shall provide janitorial services five (5) days per week, except the date of observation of the Holidays, in and about the Common Areas.

6.2 **Overstandard Tenant Use**. Tenant shall not, without Landlord's prior written consent, use heat- generating machines, machines other than standard office machines, or equipment or lighting other than the existing lights and other Building standard lights in the Premises. If Tenant uses water, electricity, heat or air conditioning in excess of that supplied by Landlord pursuant to Section 6.1 of this Lease, Tenant shall pay to Landlord, within thirty (30) days after Tenant's receipt of Landlord's invoice therefor, the Actual Cost (as defined below) of such excess consumption and the cost of the installation, operation, and maintenance of equipment which is installed in order to supply such excess consumption; and Landlord may install devices to separately meter any increased use and in such event Tenant shall pay the actual increased cost directly to Landlord, within thirty (30) days after Tenant's receipt of Landlord's invoice therefor, at the rates charged by the public utility company furnishing the same, including the cost of a qualified professional, including an electrician and or electrical engineer if necessary in Landlord's reasonable discretion, installing, testing and maintaining of such additional metering devices. Tenant's use of electricity shall never exceed the capacity of the feeders to the Building or the risers or wiring installation, and subject to the terms of Section 29.30, below, Tenant shall not install or use or permit the installation or use of any computer or electronic data processing equipment in the Premises; provided, however, with respect to normal fractional office equipment,

the foregoing restriction shall only apply to the extent Tenant's use of the same exceeds the customary requirements for general office use, without the prior written consent of Landlord (which consent shall not be unreasonably withheld). If Tenant desires to use HV during hours other than those for which Landlord is obligated to supply such utilities pursuant to the terms of Section 6.1 of this Lease, Tenant shall give Landlord such prior notice, if any, as Landlord shall from time to time establish as appropriate (and notify Tenant thereof), of Tenant's desired use in order to supply such utilities, and Landlord shall supply such after-hours HV to Tenant at a rate which shall be the Actual Cost of supplying such HV. Tenant shall pay for all after hour HV costs (and/or other costs relating thereto as set forth in this Section 6.2) within thirty (30) days after delivery of any invoice therefor from Landlord. The electricity cost of Tenant's use of any air conditioning ("**AC**") installed by Tenant (in accordance with the provisions of this Lease) shall be payable by Tenant at the Actual Cost of such electricity as reasonably determined by Landlord. Tenant acknowledges that Landlord may estimate the hours of such usage by (a) requiring Tenant to request Tenant's representative to turn on the AC and/or electrical current for specified hours or (b) by any other reasonable means established by Landlord. Tenant shall pay all AC costs (and/or other costs relating thereto as set forth in this Section 6.2) within thirty (30) days after receipt of any invoice therefor from Landlord. Tenant shall not require services, (including but not limited to maintenance, repair, trash or sewer) in excess of those customarily being supplied by Landlord for the Building as part of Operating Expenses, as determined by Landlord in its reasonable discretion ("**Excess Utilities and Services**"). Tenant's use and/or requirement of Excess Utilities and Services shall be deemed a breach of this Lease, and Landlord shall, in addition to other remedies, have the right to charge Tenant directly for the cost of supplying such Excess Utilities and Services. As used herein, "Actual Cost" shall mean the actual costs paid or incurred by Landlord, without any profit or markup, in connection with Tenant's excess consumption of electricity, HV, AC and/or other utilities, as reasonably estimated by Landlord, including, without limitation, depreciation pertaining to increased utilization of certain equipment, costs charged by the utility company for such utilities, and reasonable accounting and administrative costs.

6.3 **Interruption of Use**. Except as otherwise expressly provided in this Lease, Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by breakage, repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building after reasonable effort to do so, by any riot or other dangerous condition, emergency, accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause beyond Landlord's reasonable control; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease, except as otherwise expressly provided in this Lease. Notwithstanding the foregoing, if Tenant is prevented from using, and does not use, the Premises or any portion thereof, as a result of any failure to provide to the Premises any of the essential utilities and services required to be provided in Sections 6.1.1, 6.1.2 or 6.1.3 above, but only to the extent such failure is caused by Landlord's negligence or willful misconduct (an "**Abatement Event**"), then Tenant shall deliver written notice of such Abatement Event to Landlord. If such Abatement Event continues for four (4) consecutive business days (the "**Eligibility Period**") after Tenant delivers written notice

thereof to Landlord, then Tenant's obligation to pay Base Rent and Tenant's Share of Direct Expenses shall be abated or reduced, as the case may be, from and after the first (1st) day following the Eligibility Period and continuing during such time that Tenant continues to be so prevented from using, and does not use, the Premises or a portion thereof, in the proportion that the rentable square feet of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable square feet of the Premises. To the extent Tenant shall be entitled to abatement of rent because of a damage or destruction pursuant to Article 11, or a taking pursuant to Article 13, then the Eligibility Period shall not be applicable.

6.4 **Occupancy**: The population density within the Premises as a whole shall at no time exceed seven (7) persons for each 1,000 rentable square feet in the Premises.

ARTICLE 7

REPAIRS

Tenant shall, at Tenant's own expense, keep the nonstructural portions of the Premises that are not Landlord's responsibility to maintain under this Lease, including all improvements, fixtures and furnishings therein (including the Furniture, as defined below), in good order, repair and condition at all times during the Lease Term, ordinary wear and tear, damage by casualty and Landlord's repair obligations hereunder excepted; provided however, that, at Landlord's option, or if Tenant fails to make such repairs and upon prior written notice to Tenant and lapse of applicable cure period (except in the case of an emergency where no notice shall be necessary) or if Tenant requests that Landlord make such repairs, Landlord may, but need not, make such repairs and replacements, and Tenant shall pay Landlord the cost thereof, including a commercially reasonable percentage of the cost thereof (to be uniformly established for the Building) sufficient to reimburse Landlord for all overhead, general conditions, fees and other costs or expenses arising from Landlord's involvement with such repairs and replacements within thirty (30) days after being billed for same. Notwithstanding the foregoing, Landlord shall make repairs to the exterior and load-bearing walls, foundation and roof of the Building, the structural portions of the floors of the Building, and the Base Building systems and equipment of the Building (including the mechanical, HV, electrical, fire/life safety and plumbing systems and equipment) as a common area expense (subject to **Exhibit C** attached hereto), except to the extent that such repairs are required due to the negligence or willful misconduct of Tenant, provided however, that if such repairs are due to the negligence or willful misconduct of Tenant, Landlord shall nevertheless make such repairs at Tenant's expense, or if covered by Landlord's insurance, Tenant shall only be obligated to pay any deductible in connection therewith as a common area expense. In no event shall this negate the waiver of subrogation. Landlord may (and subject to the provisions of Article 27 of this Lease), but shall not be required to, enter the Premises at all reasonable times upon twenty-four (24) hour notice (unless in the event of an emergency) to make such repairs, alterations, improvements or additions to the Premises or to the Building or to any equipment located in the Building as Landlord shall desire or deem necessary or as Landlord may be required to do by governmental or quasi-governmental authority or court order or decree. Tenant hereby waives any and all rights under and benefits of subsection 1 of Section 1932 and Sections 1941 and 1942 of the California Civil Code or under any similar law, statute, or ordinance now or hereafter in effect.

ARTICLE 8

ADDITIONS AND ALTERATIONS

8.1 **Landlord's Consent to Alterations**. Tenant may not make any improvements, alterations, additions or changes to the Premises or any mechanical, plumbing or HVAC facilities or systems pertaining to the Premises (collectively, the "**Alterations**") without first procuring the prior written consent of Landlord to such Alterations, which consent shall be requested by Tenant not less than thirty (30) days prior to the commencement thereof, and which consent shall not be unreasonably withheld, conditioned or delayed by Landlord, provided it shall be deemed reasonable for Landlord to withhold its consent to any Alteration which adversely affects the structural portions or the systems or equipment of the Building or is visible from the exterior of the Building or makes the Premises less valuable or marketable in the Landlord's reasonable judgment. Notwithstanding any provision to the contrary contained in this Lease, NO GLUE OR ADHESIVE SHALL BE APPLIED TO ANY FINISHED CONCRETE FLOOR LOCATED WITHIN THE PREMISES. Tenant shall not without Landlord's written permission, install any work of art whose removal is subject to any government or regulatory approval or restriction. TENANT SHOULD EXAMINE THE FLOOR PLAN IN **EXHIBIT A** FOR ACCURACY AS TENANT SHALL BE HELD RESPONSIBLE FOR ANY ALTERATIONS FROM SUCH FLOOR PLAN MADE WITHOUT LANDLORD PRIOR WRITTEN CONSENT. Notwithstanding the foregoing to the contrary, Tenant may make non-structural alterations, additions or improvements to the interior of the Premises (collectively, the "**Acceptable Changes**") without Landlord's consent, provided that (i) Tenant delivers to Landlord written notice of such Acceptable Changes at least ten (10) business days prior to the commencement thereof, (ii) the cost of all Acceptable Changes do not in the aggregate exceed $25,000.00 in any consecutive twelve (12) month period (but there shall be no cap on the cost of any purely cosmetic or decorative interior non-structural changes made to the Premises [such as, for example, painting and carpeting work]), (iii) such Acceptable Changes shall be performed by or on behalf of Tenant in compliance with the other provisions of this Article 8, (iv) such Acceptable Changes do not require the issuance of a building permit or other governmental approval, (v) such Acceptable Changes are not Unauthorized Alterations (as defined below), and (vi) such Acceptable Changes shall be performed by qualified contractors and subcontractors which normally and regularly perform similar work in the Comparable Buildings.

8.2 **Manner of Construction**. Landlord may impose, as a condition of its consent to any and all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its reasonable discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors, subcontractors, materials, mechanics and materialmen selected by Tenant and reasonably approved by Landlord and the requirement that all Alterations are equal to or greater in quality than the Building's standards established by Landlord and provided to Tenant. If such Alterations will involve the use of or disturb hazardous materials or substances existing in the Premises, Tenant shall comply with Landlord's rules and regulations concerning such hazardous materials or substances. Landlord's approval of the plans, specifications and working drawings for Tenant's Alterations shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all Applicable Laws. Upon Landlord's request, timely made pursuant to the TCCs of Section 8.5 below, Tenant shall, at Tenant's expense, remove such Alterations upon the

expiration or any early termination of the Lease Term and return the affected portion of the Premises to the condition existing prior to the installation of such Alteration, ordinary wear and tear, casualty, condemnation and Landlord's obligations under this Lease excepted as reasonably determined by Landlord; provided, however, in no event shall Tenant be required to remove any standard office improvements (as reasonably determined by Landlord) from the Premises. Tenant shall construct such Alterations and perform such repairs in a good and workmanlike manner, in conformance with any and all applicable federal, state, county or municipal laws, rules and regulations and pursuant to a valid building permit, issued by the City or County of San Francisco, California, all in conformance with Landlord's construction rules and regulations; provided, however, that prior to commencing to construct any Alteration, Tenant shall meet with Landlord to discuss Landlord's design parameters and code compliance issues. Obtaining any building permit, approvals and any related signoffs shall be Tenant's sole responsibility, and Tenant shall remain liable for any failure or damage arising from its failure to obtain such permit, approvals, and signoffs. All permit applications shall be submitted to Landlord for review prior to submittal to the city and all processing of plans and permits shall be coordinated through such architect or such other representative as Landlord may reasonably approve. In the event Tenant performs any Alterations in the Premises which require or give rise to governmentally required changes to the "**Base Building**," as that term is defined below, then Landlord shall, at Tenant's expense, make such changes to the Base Building. The "Base Building" shall include the structural portions of the Building, and the public restrooms, elevators, exit stairwells and the systems and equipment (including the mechanical, HV, electrical, fire/life safety and plumbing systems and equipment) located in the internal core of the Building on the floor on which the Premises are located. In performing the work of any such Alterations, Tenant shall have the work performed in such manner so as not to obstruct access to the Building or any portion thereof, by any other tenant of the Building, and so as not to obstruct the business of Landlord or other tenants in the Building. Tenant shall not use (and upon notice from Landlord shall cease using) contractors, services, workmen, labor, materials or equipment that, in Landlord's reasonable judgment, would disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the Building or the Common Areas. In addition to Tenant's obligations under Article 9 of this Lease, upon completion of any Alterations, Tenant agrees to cause a Notice of Completion to be recorded in the office of the Recorder of the County of San Francisco in accordance with Section 8182 of the Civil Code of the State of California or any successor statute, and Tenant shall deliver to the Building construction manager a reproducible copy of the "**as built**" drawings of the Alterations as well as all permits, approvals and other documents issued by any governmental agency in connection with the Alterations.

8.3 **Payment for Improvements**. If payment is made directly to contractors, Tenant shall (i) comply with Landlord's reasonable requirements for final lien releases and waivers in connection with Tenant's payment for work to contractors, and (ii) sign Landlord's standard, reasonable contractor's rules and regulations. Whether or not Tenant orders any work directly from Landlord, Tenant shall pay to Landlord an amount of Landlord's actual out of pocket costs but not to exceed five percent (5%) of the "hard costs" of such work to compensate Landlord for all overhead, general conditions, fees and other costs and expenses arising from Landlord's involvement with such work, provided that no such amount shall be charged with respect to Acceptable Changes.

8.4 **Construction Insurance**. In addition to the requirements of Article 10 of this Lease, in the event that Tenant makes any Alterations, prior to the commencement of such Alterations, Tenant shall provide Landlord with evidence that Tenant carries "Builder's All Risk" insurance in an amount reasonably approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may reasonably require, it being understood and agreed that all of such Alterations shall be insured by Tenant pursuant to Article 10 of this Lease immediately upon completion thereof. In addition, with respect to Alterations costing $150,000.00 or more, Landlord may, in its reasonable discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien free completion of such Alterations and naming Landlord as a co-obligee.

8.5 **Landlord's Property**. All Alterations, improvements, fixtures, equipment and/or appurtenances which may be installed or placed in or about the Premises, from time to time, shall be at the sole cost of Tenant and shall be and become the property of Landlord, except that Tenant may remove those certain Alterations, improvements, fixtures and/or equipment which are moveable items of Tenant's furniture (including the Furniture), cubicles, trade fixtures, computer equipment (and related cabling and wiring) provided Tenant repairs any damage to the Premises and Building caused by such removal and returns the affected portion of the Premises to the condition existing prior to the installation of such Alteration, ordinary wear and tear, casualty, condemnation and Landlord's obligations under this Lease excepted. Furthermore, Landlord, by notice given to Tenant at any time prior to the Lease Expiration Date or not later than thirty (30) days after any earlier termination of this Lease, may require Tenant, at Tenant's expense, to remove any Alterations or improvements and to repair any damage to the Premises and Building caused by such removal and return the affected portion of the Premises to a building standard tenant improved condition as reasonably determined by Landlord; provided, however, in no event shall Tenant be required to remove any standard office improvements (as reasonably determined by Landlord) from the Premises. If Landlord shall give such notice, then Tenant, at Tenant's expense, prior to the Lease Expiration Date, or, in the case of an earlier termination of this Lease, within fifteen (15) days after the giving of such notice by Landlord, shall remove the same from the Premises, shall repair and restore the Premises to the condition existing prior to installation thereof and shall repair any damage to the Premises or to the Building due to such removal. Notwithstanding the foregoing, if, in connection with its request for Landlord's approval for particular Alterations or improvements, (x) Tenant requests Landlord's decision with regard to the removal of such Alterations or improvements, Landlord shall provide Tenant with Landlord's requirements with respect to the removal of such alterations or improvements and if (y) Landlord thereafter agrees in writing to waive the removal requirement when approving such Alterations or improvements, then Tenant shall not be required to so remove such Alterations or improvements. Landlord agrees that all alterations and improvements existing in the Premises as of the Commencement Date shall be considered standard office improvements by Landlord and will not have to be removed by Tenant. If Tenant timely fails to complete such removal and/or to repair any damage caused by the removal of any Alterations or improvements in the Premises and return the affected portion of the Premises to the condition required hereunder as reasonably determined by Landlord, then, at Landlord's option, (A) Tenant shall be deemed to be holding over in the Premises and Rent shall continue to accrue in accordance with the terms of Article 16, below, until such work shall be completed, and (B) Landlord may charge the cost (including any lost rent from the time required to design, permit and construct such restoration) thereof to Tenant. Tenant hereby protects, defends, indemnifies and holds Landlord harmless from any liability, cost,

obligation, expense or claim of lien in any manner relating to the installation, placement, removal or financing of any such Alterations, improvements, fixtures and/or equipment in, on or about the Premises, which obligations of Tenant shall survive the expiration or earlier termination of this Lease.

8.6 **Unauthorized Alterations**. Any improvements, alterations, additions or changes to (i) the Premises (specifically including, but in no event limited to, any alterations or changes having a material adverse effect on the structural portions or systems or equipment of the Building, or which are visible from the exterior of the Building), (ii) any mechanical, plumbing or HVAC facilities or systems pertaining to the Premises, (iii) any area of the Building outside of the Premises, made without Landlord's consent as required under this Article 8 (the "**Unauthorized Alterations**") shall constitute a default by Tenant under this Lease and shall be subject to the terms and conditions of Article 19 of this Lease, specifically including, but not limited to, Sections 19.1.6 and 19.2.4, below. Notwithstanding any contrary provision of this Lease, each improvement, alteration, addition or change made without Landlord's consent shall each be deemed a separate and independent Unauthorized Alteration, thereby allowing Landlord, if Landlord so desires (in its sole and absolute discretion), to pursue different remedies provided hereunder for different Unauthorized Alterations. In addition, notwithstanding any contrary provision of this Lease, Landlord's failure or election not to require Tenant to remove and/or otherwise cure any particular Unauthorized Alteration(s) or pursue any applicable remedy against Tenant in connection therewith shall in no event be deemed a waiver of any of Landlord's rights and remedies with respect to (a) any future enforcement of such particular Unauthorized Alteration, or (b) any other Unauthorized Alteration(s).

ARTICLE 9

COVENANT AGAINST LIENS

Tenant shall keep the Building and Premises free from any liens or encumbrances arising out of the work performed, materials furnished or obligations incurred by or on behalf of Tenant, and shall protect, defend, indemnify and hold Landlord harmless from and against any claims, liabilities, judgments or costs (including, without limitation, reasonable attorneys' fees and costs) arising out of same or in connection therewith. Tenant shall give Landlord notice at least twenty (20) days prior to the commencement of any such work on the Premises (or such additional time as may be necessary under Applicable Laws) to afford Landlord the opportunity of posting and recording appropriate notices of non-responsibility. Tenant shall remove any such lien or encumbrance by bond or otherwise within ten (10) business days after notice by Landlord, and if Tenant shall fail to do so, Landlord may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof. The amount so paid shall be deemed Additional Rent under this Lease within thirty (30) days after written demand therefor, without limitation as to other remedies available to Landlord under this Lease. Nothing contained in this Lease shall authorize Tenant to do any act which shall subject Landlord's title to the Building or Premises to any liens or encumbrances whether claimed by operation of law or express or implied contract. Any claim to a lien or encumbrance upon the Building or Premises arising in connection with any such work or respecting the Premises not performed by or at the request of Landlord shall be null and void, or at Landlord's option shall attach only against Tenant's interest in the Premises and shall in all respects be subordinate to Landlord's title to the Building and Premises.

ARTICLE 10

INSURANCE

10.1 **Indemnification and Waiver**. Tenant hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause whatsoever (including, but not limited to, any personal injuries resulting from a slip and fall in, upon or about the Premises) and agrees that Landlord, its partners, subpartners, members, submembers and their respective officers, agents, servants, employees, and independent contractors (collectively, "**Landlord Parties**") shall not be liable for, and are hereby released from any responsibility for, any damage either to person or property or resulting from the loss of use thereof, which damage is sustained by Tenant or by other persons claiming through Tenant except to the extent caused by the negligence or willful misconduct of Landlord or a Landlord Party and not insured or required to be insured by Tenant under this Lease. Tenant shall indemnify, defend, protect, and hold harmless the Landlord Parties from any and all losses, costs, damages, expenses and liabilities, including without limitation court costs and reasonable attorneys' fees (collectively, "**Claims**") incurred in connection with or arising from (A) any cause in, on or about the Premises (including, but not limited to, a slip and fall), (B) any Unauthorized Alterations performed by or for Tenant or any other occupant of the Premises, (C) the negligence or willful misconduct of Tenant or of any person claiming by, through or under Tenant, or of the contractors, agents, servants, employees, invitees, guests or licensees of Tenant or any such person, in, on or about the Building, or (D) any violation of any of the requirements, ordinances, statutes, regulations or other laws, including, without limitation, any environmental laws by Tenant or the contractors, agents, servants, employees, invitees, guests or licensees of Tenant, provided that the terms of the foregoing indemnity shall not apply to any Claims (i) to the extent resulting from the negligence or willful misconduct of Landlord and not insured or required to be insured by Tenant under this Lease (collectively, the "**Excluded Claims**"), (ii) any loss or damage to Landlord's property to the extent Landlord has waived such loss or damage pursuant to Section 10.5 below, or (iii) any Consequential Damages. In addition, Landlord shall indemnify, defend, protect and hold Tenant and Tenant's officers, directors, shareholders, agents, employees and independent contractors (collectively, the "**Tenant Parties**") harmless from and against all such Excluded Claims, except for (1) any loss or damage to Tenant's property to the extent Tenant has waived such loss or damage pursuant to Section 10.5 below, and (2) any Consequential Damages. Should Landlord be named as a defendant in any suit brought against Tenant in connection with or arising out of Tenant's occupancy of the Premises, Tenant shall pay to Landlord its costs and expenses incurred in such suit, including without limitation, its actual professional fees such as reasonable appraisers', accountants' and attorneys' fees. Further, Tenant's agreement to indemnify Landlord pursuant to this Section 10.1 is not intended and shall not relieve any insurance carrier of its obligations under policies required to be carried by Tenant pursuant to the provisions of this Lease, to the extent such policies cover the matters subject to Tenant's indemnification obligations; nor shall they supersede any inconsistent agreement of the parties set forth in any other provision of this Lease. The provisions of this Section 10.1 shall survive the expiration or sooner termination of this Lease with respect to any claims or liability arising in connection with any event occurring prior to such expiration or termination. Notwithstanding anything to the contrary contained in this

Lease, neither Landlord nor the Landlord Parties shall be liable under any circumstances for any Consequential Damages. Notwithstanding anything to the contrary contained in this Lease, nothing in this Lease shall impose any obligations on Tenant or Landlord to be responsible or liable for, and each hereby releases the other from all liability for, Consequential Damages other than those Consequential Damages incurred by Landlord in connection with a holdover of the Premises by Tenant after the expiration or earlier termination of this Lease and/or any damages recoverable by Landlord pursuant to Sections 19.2.1(iii) and (iv) below and/or Section 1951.2 of the California Civil Code following a default by Tenant under this Lease.

10.2 **Landlord's Fire and Casualty Insurance**.

10.2.1 **In General**. Landlord shall insure the Building during the Lease Term against loss or damage due to fire and other casualties covered within the classification of fire and extended coverage, vandalism coverage and malicious mischief, sprinkler leakage, water damage and special extended coverage. Such coverage shall be in such amounts (with commercially reasonable deductibles), from such companies, and on other terms and conditions, as Landlord may from time to time reasonably determine, provided that to the extent consistent with the practices of landlords of Comparable Buildings, such coverage shall be for the full replacement of the Buildings in compliance with all then existing Applicable Laws. Additionally, at the sole option of Landlord, such insurance coverage may include the risks of earthquakes and/or flood damage and additional hazards, a rental loss endorsement and one or more loss payee endorsements in favor of the holders of any mortgages or deeds of trust encumbering the interest of Landlord in the Building or the ground or underlying lessors of the Building or any portion thereof) in which case, for the purposes of Section 4.1 of this Lease, the premium related to the increased coverage, if not already included in the Base Year, shall be treated as a New Category as defined in Section 4.2.4 of this Lease.

10.2.2 **Tenant's Compliance With Landlord's Fire and Casualty Insurance**. Tenant shall, at Tenant's expense, comply with all reasonable insurance company requirements pertaining to the use of the Premises. If Tenant's conduct or use of the Premises (for other than general office use) causes any increase in the premium for such insurance policies then Tenant shall reimburse Landlord for any such increase. Tenant, at Tenant's expense, shall comply with all rules, orders, regulations or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and with any similar body.

10.3 **Tenant's Insurance**. Tenant shall maintain the following coverages in the following amounts.

10.3.1 Commercial General Liability Insurance covering the insured against claims of bodily injury, personal injury and property damage (including loss of use thereat) arising out of Tenant's operations, and contractual liabilities (covering the performance by Tenant of its indemnity agreements) including a Broad Form endorsement covering the insuring provisions of

this Lease and the performance by Tenant of the indemnity agreements set forth in Section 10.1 of this Lease, for limits of liability not less than:

Bodily Injury and Property Damage Liability	$2,000,000 each occurrence $2,000,000 annual aggregate
Personal Injury Liability	$2,000,000 each occurrence $2,000,000 annual aggregate 0% Insured's participation

10.3.2 Physical Damage Insurance covering (i) the Furniture and all other office furniture, business and trade fixtures, office equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's property on the Premises installed by, for, or at the expense of Tenant, (ii) any tenant improvements which exist in the Premises as of the Lease Commencement Date (excluding the Base Building) (the "**Original Improvements**"), and (iii) all other improvements, alterations and additions to the Premises. Such insurance shall be written on an "all risks" of physical loss or damage basis, for the full replacement cost value (subject to reasonable deductible amounts) new without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance and shall include coverage for damage or other loss caused by fire or other peril including, but not limited to, vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting or stoppage of pipes, and explosion, and providing business interruption coverage for a period of six (6) months. Notwithstanding the foregoing, in the event any loss is incurred by Tenant in connection with the Premises, Tenant shall first seek recovery for such loss from Tenant's insurance carrier before filing a claim for recovery with Landlord and/or Landlord's insurance carrier. Tenant acknowledges that Landlord does not maintain insurance to cover the loss of personal property damage by tenant. Tenant agrees that Landlord is not liable for these occurrences, even resulting from Landlord's negligence, and Tenant shall look solely to Tenant's insurance policy for any such losses sustained by Tenant.

10.3.3 Worker's Compensation and Employer's Liability or other similar insurance pursuant to all applicable state and local statutes and regulations, and Employer's Liability or other similar insurance pursuant to all applicable state and local statutes and regulations, with limits not less than One Millions and No/100 Dollars ($1,000,000.00).

10.3.4 Comprehensive Automobile Liability Insurance covering all owned, hired, or non-owned vehicles with the following limits of liability: One Million Dollars ($1,000,000.00) combined single limit for bodily injury and property damage.

10.4 **Form of Policies**. The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall, by endorsement, (i) name Landlord, and any other party the Landlord so specifies, as an additional insured, including Landlord's managing agent, if any; (ii) specifically cover the liability assumed by Tenant under this Lease, including, but not limited to, Tenant's obligations under Section 10.1 of this Lease; (iii) be issued by an insurance company having a rating of not less than A-VIII in Best's Insurance Guide or which is otherwise acceptable to Landlord and licensed to do business in the State of California; (iv) be primary insurance as to all claims thereunder and provide

that any insurance carried by Landlord is excess and is non-contributing with any insurance requirement of Tenant; (v) be in form and content reasonably acceptable to Landlord; and (vi) contain a cross-liability endorsement or severability of interest clause acceptable to Landlord, (vii) provide that said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice shall have been given to Landlord and any mortgagee of Landlord, the identity of whom has been provided to Tenant in writing; provided, however, that if Tenant's insurance carrier will not provide such notice to Landlord, then Tenant must provide such written notice to Landlord within the time frame set forth above. Tenant shall deliver said policy or policies or certificates thereof to Landlord on or before the Lease Commencement Date and at least ten (10) days before the expiration dates thereof. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificate, Landlord may, at its option, procure such policies for the account of Tenant, and the cost thereof shall be paid to Landlord within thirty (30) days after delivery to Tenant of bills therefor.

10.5 **Subrogation**. Landlord and Tenant intend that their respective property loss risks shall be borne by reasonable insurance carriers to the extent above provided, and Landlord and Tenant hereby agree to look solely to, and seek recovery only from, their respective insurance carriers in the event of a property loss to the extent that such coverage is agreed to be provided hereunder, regardless of whether such property loss was caused by the negligence of Landlord or Tenant and their respective agents, employees, contractors and/or invitees. Notwithstanding anything to the contrary in this Lease, the parties each hereby waive all rights and claims against each other for such losses, and waive all rights of subrogation of their respective insurers, provided such waiver of subrogation shall not affect the right to the insured to recover thereunder. The parties agree that their respective insurance policies are now, or shall be, endorsed such that the waiver of subrogation shall not affect the right of the insured to recover thereunder, so long as no material additional premium is charged therefor. If either party fails to carry the amounts and types of insurance required to be carried pursuant to the TCCs of this Lease, such failure shall be deemed to be a breach of this Lease and in addition to any remedies the other party may have under this Lease, such failure shall be deemed to be a covenant and agreement by such party in breach to self-insure with respect to the type and amount of insurance which such party so failed to carry, with full waiver of subrogation with respect thereto. The waiver of subrogation under this paragraph shall not apply to damage resulting from intentional and unauthorized alterations by the Tenant.

10.6 **Additional Insurance Obligations**. Tenant shall carry and maintain during the entire Lease Term, at Tenant's sole cost and expense, increased amounts of the insurance required to be carried by Tenant pursuant to this Article 10 and such other reasonable types of insurance coverage and in such reasonable amounts covering the Premises and Tenant's operations therein, as may be reasonably requested by Landlord; provided, however, that in no event shall (i) Tenant receive notice of an increased amount or new type of insurance more than once during the Lease Term, and (ii) such increased coverage be in excess of that required by landlords of the Comparable Buildings for tenants leasing comparable-sized space to the Premises in such Comparable Buildings.

ARTICLE 11

DAMAGE AND DESTRUCTION

11.1 **Repair of Damage to Premises by Landlord**. Tenant shall promptly notify Landlord in writing of any damage to the Premises resulting from fire or any other casualty of which Tenant is aware. If the Premises or any Common Areas serving or providing access to the Premises shall be damaged by fire or other casualty, Landlord shall make commercially reasonable efforts, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of this Article 11, to restore the Base Building and such Common Areas. Such restoration shall be to substantially the same condition of the Base Building and the Common Areas prior to the casualty, except for modifications required by zoning and building codes and other laws or by the holder of a mortgage on the Building or any other modifications to the Common Areas reasonably deemed desirable by Landlord, provided that access to the Premises and any common restrooms serving the Premises shall not be materially impaired. Upon the occurrence of any damage to the Premises, Tenant shall, at its sole cost and expense, promptly repair any injury or damage to the Original Improvements (excluding the Base Building) and any other tenant improvements installed in the Premises and shall return such Original Improvements (and any other tenant improvements) to their original condition. Prior to the commencement of construction, Tenant shall submit to Landlord, for Landlord's review and approval, all plans, specifications and working drawings relating to such Original Improvements and/or tenant improvements and the name of the general contractor performing any such repairs for Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed. Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof; provided however, that if such fire or other casualty shall have damaged the Premises or Common Areas necessary to Tenant's occupancy, and the Premises are not occupied by Tenant as a result thereof, then during the time and to the extent the Premises are unfit for occupancy, the Rent shall be abated in proportion to the ratio that the amount of rentable square feet of the Premises which is unfit for occupancy for the purposes permitted under this Lease bears to the total rentable square feet of the Premises (provided, however, to the extent Tenant is performing the repairs to the Original Improvements and any other tenant improvements, Rent shall be abated until the date which is reasonably determined by Landlord to be the date Tenant should have completed repairs to the Premises assuming Tenant used reasonable due diligence in connection therewith); provided, further, however, that if the damage or destruction is due to the gross negligence or willful misconduct of Tenant or any of its agents, employees, contractors, invitees or guests, Tenant shall be responsible for any reasonable, applicable insurance deductible (which shall be payable to Landlord upon demand) and there shall be no rent abatement. Subject to this Section 11.1, if at any time during the last twelve months (12) months of the Lease Term there is substantial damage to the Premises and such damage materially affects Tenant's use of the Premises, either party may at its option cancel and terminate this Lease as of the date of the occurrence of such damage by giving written notice to the other party of its election to do so within thirty (30) days after the date of occurrence of such damage.

11.2 **Landlord's Option to Repair**. Notwithstanding the terms of Section 11.1 of this Lease, Landlord may elect not to rebuild and/or restore the Premises and/or Building, and instead terminate this Lease, by notifying Tenant in writing of such termination within sixty (60) days

after the date of discovery of the damage, such notice to include a termination date giving Tenant sixty (60) days to vacate the Premises, but Landlord may so elect only if the Building shall be damaged by fire or other casualty or cause, whether or not the Premises are affected, and one or more of the following conditions is present: (i) in Landlord's reasonable judgment, repairs required to be made by Landlord and/or Tenant cannot reasonably be completed within one hundred eighty (180) days after the date of discovery of the damage (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Building or ground lessor with respect to the Building shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground lease, as the case may be; (iii) the damage is not fully covered by Landlord's insurance policies (provided the deductible is taken into account in determining the full extent of the insurance proceeds available with respect to the casualty); (iv) Landlord decides to rebuild the Building or Common Areas so that they will be substantially different structurally or architecturally; (v) the damage occurs during the last twelve (12) months of the Lease Term; or (vi) any owner of any other portion of the Building, other than Landlord, does not intend to repair the damage to such portion of the Building; provided, however, Landlord shall only have the right to terminate this Lease with respect to any damage that does not pertain to the Premises but only to other areas of the Building if Landlord concurrently terminates the leases of all other tenants in the Building which leases contain similar termination rights in favor of Landlord as provided herein. Notwithstanding the provisions of this Section 11.2, Tenant shall have the right to terminate this Lease under this Section 11.2 only if each of the following conditions is satisfied: (a) the damage to the Building by fire or other casualty was not caused by the gross negligence or intentional act of Tenant or its partners or subpartners and their respective officers, agents, servants, employees, and independent contractors; (b) as a result of the damage, Tenant cannot reasonably conduct business from the Premises or a material part thereof; and (c) as a result of the damage to the Building, Tenant does not occupy or use the Premises at all. If this Lease is terminated pursuant to this Article 11, all Rent payable hereunder shall be apportioned and paid to the date of the occurrence of such damage.

11.3 **Waiver of Statutory Provisions**. The provisions of this Lease, including this Article 11, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises or the Building, and any statute or regulation of the State of California, including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises or the Building.

ARTICLE 12

NONWAIVER

No waiver of any provision of this Lease shall be implied by any failure of Landlord to enforce any remedy on account of the violation of such provision, even if such violation shall continue or be repeated subsequently. Any waiver by Landlord or Tenant of any provision of this Lease may only be in writing, and no express waiver shall affect any provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any

preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No acceptance of a lesser amount than the Rent herein stipulated shall be deemed a waiver of Landlord's right to receive the full amount due, nor shall any endorsement or statement on any check or payment or any letter accompanying such check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the full amount due. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder, or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit, or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

ARTICLE 13

CONDEMNATION

If the whole or any part of the Premises or Building shall be taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or if any adjacent property or street shall be so taken or condemned, or reconfigured or vacated by such authority in such manner as to require the use, reconstruction or remodeling of any part of the Premises or Building, or if Landlord shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation, Landlord shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority. If more than twenty-five percent (25%) of the rentable square feet of the Premises is taken, or if access to the Premises or the Building is substantially impaired, in each case for a period in excess of one hundred eighty (180) days, Tenant shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority. Tenant shall not because of such taking assert any claim against Landlord or the authority for any compensation because of such taking and Landlord shall be entitled to the entire award or payment in connection therewith, except that Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease Term pursuant to the terms of this Lease, and for moving expenses, so long as such claims do not diminish the award available to Landlord, its ground lessor with respect to the Building or its mortgagee, and such claim is payable separately to Tenant. All Rent shall be apportioned as of the date of such termination. If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Rent shall be proportionately abated. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of the California Code of Civil Procedure. Notwithstanding anything to the contrary contained in this Article 13, in the event of a temporary taking of all or any portion of the Premises for a period of one hundred and eighty (180) days or less, then this Lease shall not terminate but the Base Rent and the Additional Rent shall be abated for the period of such taking in proportion to the ratio that the amount of rentable square feet of the Premises taken bears to the total rentable square feet of the Premises. Landlord shall be entitled to receive the entire award made in connection with any such temporary taking.

ARTICLE 14

ASSIGNMENT AND SUBLETTING

14.1 **Transfers**. Tenant shall not, without the prior written consent of Landlord (which consent shall be given or not given in accordance with Section 14.2 below), assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment, or other transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or enter into any license or concession agreements or otherwise permit the occupancy or use of the Premises or any part thereof by any persons other than Tenant and its employees and contractors (all of the foregoing are hereinafter sometimes referred to collectively as "**Transfers**" and any person to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a "**Transferee**"). If Tenant desires Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the "**Transfer Notice**") shall include (i) the proposed effective date of the Transfer, which shall not be less than thirty (30) days nor more than one hundred eighty (180) days after the date of delivery of the Transfer Notice, (ii) a description of the portion of the Premises to be transferred (the "**Subject Space**"), (iii) all of the terms of the proposed Transfer and the consideration therefor, including calculation of the "**Transfer Premium**", as that term is defined in Section 14.3 below, in connection with such Transfer, the name and address of the proposed Transferee, and a copy of all existing executed and/or proposed documentation pertaining to the proposed Transfer, including all existing operative documents to be executed to evidence such Transfer or the agreements incidental or related to such Transfer, (iv) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, business credit and personal references and history of the proposed Transferee and any other information reasonably required by Landlord which will enable Landlord to dete1mine the financial responsibility, character, and reputation of the proposed Transferee, nature of such Transferee's business and proposed use of the Subject Space, and (v) an executed estoppel certificate from Tenant in the form attached hereto as **Exhibit E**. Any Transfer made without Landlord's prior written consent shall, at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute a default by Tenant under this Lease. Whether or not Landlord consents to any proposed Transfer, Tenant shall pay Landlord's review and processing fees in an amount not to exceed $500.00 per proposed Transfer, as well as any reasonable legal fees (not to exceed $2,000.00 per proposed Transfer) incurred by Landlord, within thirty (30) days after written request by Landlord.

14.2 **Landlord's Consent**. Landlord shall not unreasonably withhold, condition or delay its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in the Transfer Notice. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any Applicable Law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply: (i) the Transferee is of a character or reputation or engaged in a business which is not consistent with the quality of the Building as determined by Landlord in its reasonable discretion; (ii) the Transferee intends to use the Subject Space for purposes which are not permitted under this Lease; (iii) the Transferee is either a governmental agency or instrumentality thereof; (iv) the Transferee is not a party of "reasonable financial worth and/or financial stability" (as defined in this Section 14.2, below) in light of the responsibilities to be undertaken in connection with the Transfer on the date consent is requested; (v) the proposed Transfer would cause a

violation of another lease for space in the Building, or would give an occupant of the Building a right to cancel its lease (vi) the Transfer provides for a rental or other payment for the use, occupancy or utilization of the Subject Space based in whole or in part on the income or profits derived by any person or entity from the Subject Space (other than an amount based on a fixed percentage or percentages of gross receipts or sales); or (vii) either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee, (a) occupies space in the Building at the time of the request for consent and Landlord is then offering comparable space in the Building for Lease, or (b) is negotiating with Landlord or has negotiated with Landlord to lease space in the Building within the last ninety (90) days and Landlord is then offering comparable space in the Building for Lease (as used in this Section 14.2, "comparable space" shall mean space available on any floor of the Building that is approximately the same size as the Subject Space within four (4) months, in the aggregate, of the proposed commencement of the proposed sublease or assignment). Landlord shall respond to Tenant's request for consent within thirty (30) days after receipt of Tenant's Transfer Notice and any other documents or information reasonably requested by Landlord, and any attempted assignment, transfer, mortgage, encumbrance or subletting without such consent shall be void and shall constitute a material breach of, and default under, this Lease, without the requirement for notice to Tenant. For purposes of this Section 14.2, "reasonable financial worth and/or financial stability" shall mean a net worth for the last two (2) consecutive fiscal years that is equal to five (5) times the annual Rent obligation payable by Tenant.

14.2.1 If Landlord consents to any Transfer pursuant to the terms of this Section 14.2 (and does not exercise any recapture rights Landlord may have under Section 14.4 of this Lease), Tenant may within six (6) months after Landlord's consent, but not later than the expiration of said six-month period, enter into such Transfer of the Premises or portion thereof, upon substantially the same TCCs as are set forth in the Transfer Notice furnished by Tenant to Landlord pursuant to Section 14.1 of this Lease, provided that if there are any changes in the TCCs from those specified in the Transfer Notice (i) such that Landlord would initially have been entitled to refuse its consent to such Transfer under this Section 14.2, or (ii) which would cause the proposed Transfer to be more favorable to the Transferee than the terms set forth in Tenant's original Transfer Notice, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 14 (including Landlord's right of recapture, if any, under Section 14.4 of this Lease). Notwithstanding anything to the contrary contained in this Lease, if Tenant or any proposed Transferee claims that Landlord has unreasonably withheld, conditioned or delayed its consent under Section 14.2 or otherwise has breached or acted unreasonably under this Article 14, their sole remedies shall be a declaratory judgment and an injunction for the relief sought without any monetary damages, and Tenant hereby waives all other remedies, including, without limitation, any right at law or equity to terminate this Lease, on its own behalf and, to the extent permitted under all Applicable Laws, on behalf of the proposed Transferee. Tenant shall indemnify, defend and hold harmless Landlord from any and all liability, losses, claims, damages, costs, expenses, causes of action and proceedings involving any third party or parties (including without limitation Tenant's proposed subtenant or assignee) who claim they were damaged by Landlord's wrongful withholding or conditioning of Landlord's consent. In connection with Landlord's approval of any proposed Transfer, Tenant shall execute the consent form reasonably required by Landlord in the form attached hereto as **Exhibit F**. If Tenant claims that Landlord has unreasonably withheld or delayed its consent, Tenant must provide five (5) days written notice of Tenant's grounds for its claim and Landlord shall have an additional five days thereafter to consent or withhold its consent.

14.3 **Transfer Premium**. If Landlord consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of any Transfer Premium (as that term is defined in this Section 14.3), received by Tenant from such Transferee. "**Transfer Premium**" shall mean all rent, additional rent or other consideration payable by such Transferee in connection with the Transfer in excess of the Rent and Additional Rent payable by Tenant under this Lease during the term of the Transfer on a per rentable square foot basis if less than all of the Premises is transferred, after first deducting the amortized portion (total amortized over the term of the Transfer) of the reasonable expenses incurred by Tenant for (i) any changes, alterations and improvements to the Premises in connection with the Transfer, (ii) any free base rent and other economic concessions reasonably provided to the Transferee, and (iii) any brokerage commissions and reasonable legal fees and costs in connection with the Transfer (collectively, the "**Transfer Concessions**"). "Transfer Premium" shall also include, but not be limited to, key money, bonus money or other cash consideration paid by Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for services rendered by Tenant to Transferee or for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to Transferee in connection with such Transfer. The determination of the amount of Landlord's applicable share of the Transfer Premium shall be made on a monthly basis as rent or other consideration is received by Tenant under the Transfer.

14.4 **Landlord's Option as to Subject Space**. Notwithstanding anything to the contrary contained in this Article 14, in the event that Tenant contemplates a Transfer for seventy-five percent (75%) or more of the Premises for substantially the remainder of the Lease Term, then Tenant shall give Landlord notice (the "**Intention to Transfer Notice**") of such contemplated Transfer (whether or not the contemplated Transferee or the terms of such contemplated Transfer have been determined). The Intention to Transfer Notice shall specify the portion of and amount of rentable square feet of the Premises which Tenant intends to Transfer (the "**Contemplated Transfer Space**"), the contemplated date of commencement of the contemplated Transfer (the "**Contemplated Effective Date**"), and the contemplated length of the term of such contemplated Transfer, and shall specify that such Intention to Transfer Notice is delivered to Landlord pursuant to the terms of this Section 14.4 in order to allow Landlord to elect to recapture the Contemplated Transfer Space for the term set forth in the Intention to Transfer Notice. Thereafter, Landlord shall have the option, in connection with such contemplated Transfer and all subsequent transfers, by giving written notice to Tenant ("**Landlord's Recapture Notice**") within fifteen (15) days after receipt of the Intention to Transfer Notice, to recapture the Contemplated Transfer Space for a period to commence on the Contemplated Effective Date and to continue until the last day of the term of the contemplated Transfer as set forth in the Intention to Transfer Notice (the "**Recapture Term**"), and during the Recapture Term, this Lease shall terminate with respect to the Contemplated Transfer Space; provided, however, if Tenant notifies Landlord within ten (10) days after its receipt of Landlord's Recapture Notice that Tenant revokes Tenant's Intention to Transfer Notice, such recapture and termination by Landlord in Landlord's Recapture Notice shall be ineffective, but Tenant shall not be entitled to proceed with the contemplated Transfer which was the subject of Tenant's original Intention to Transfer Notice, and Tenant shall again be required to submit a new Intention to Transfer Notice to Landlord with respect to any contemplated Transfer, as provided above in this Section 14.4. In the event of a

recapture by Landlord, if this Lease shall be terminated with respect to less than the entire Premises, the Rent reserved herein shall be prorated on the basis of the number of rentable square feet retained by Tenant in proportion to the number of rentable square feet contained in the Premises, and this Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of the same. If Landlord declines, or fails to elect in a timely manner to recapture the Contemplated Transfer Space under this Section 14.4 within such fifteen (15) day period, then, provided Landlord has consented to the proposed Transfer, Tenant shall be entitled to proceed to transfer the Contemplated Transfer Space to the proposed Transferee, and Landlord shall not have any right to recapture the Contemplated Transfer Space with respect to any Transfer thereof consummated during the six (6) month period of time (the "**Six Month Period**") which commences on the expiration of such fifteen (15) day period; provided, however, that any such Transfer shall be subject to all of the other terms of this Article 14. If such a Transfer is not so consummated within the Six Month Period (or if a Transfer is so consummated, then upon the expiration of the term of any Transfer of such Contemplated Transfer Space consummated within such Six Month Period), Tenant shall again be required to submit a new Intention to Transfer Notice to Landlord with respect to any contemplated Transfer, as provided above in this Section 14.4.

14.5 **Effect of Transfer**. If Landlord consents to a Transfer, (i) the TCCs of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a Transferee, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord, (iv) Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant, or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium Tenant has derived and shall derive from such Transfer, and (v) no Transfer relating to this Lease or agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of the Lease from any liability under this Lease, including, without limitation, in connection with the Subject Space. In no event shall any Transferee assign, sublease or otherwise encumber its interest in this Lease or further sublet any portion of the Subject Space, or otherwise suffer or permit any portion of the Subject Space to be used or occupied by others. Landlord or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to any Transfer, and shall have the right to make copies thereof, subject to Landlord's execution of a commercially reasonable confidentiality agreement with respect to the information contained therein. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency, and if understated by more than five percent (5%), Tenant shall pay Landlord's costs of such audit.

14.6 **Additional Transfers**. For purposes of this Lease, the term "**Transfer**" shall also include (i) if Tenant is a partnership, the withdrawal or change, voluntary, involuntary or by operation of law, of fifty percent (50%) or more of the partners, or transfer of fifty percent (50%) or more of partnership interests, within a twelve (12)-month period, or the dissolution of the partnership without immediate reconstitution thereof, and (ii) if Tenant is a closely held corporation (*i.e.*, whose stock is not publicly held and not traded through an exchange or over the counter), (A) the dissolution, merger, consolidation or other reorganization of Tenant or (B) the sale or other transfer of an aggregate of fifty percent (50%) or more of the voting shares of Tenant (other than to immediate family members by reason of gift or death), within a twelve (12)-month

period, or (C) the sale, mortgage, hypothecation or pledge of an aggregate of fifty percent (50%) or more of the value of the unencumbered assets of Tenant within a twelve (12)-month period. The limitations in this Article 14 (including, without limitation, this Section 14.6) shall also not apply to the infusion of additional equity capital in Tenant or an initial public offering of equity securities of Tenant under the Securities Act of 1933, as amended, which results in Tenant's stock being traded on a national or regional securities exchange, including, but not limited to, the NYSE, the NASDAQ Stock Market or the NASDAQ Small Cap Market System. Notwithstanding anything to the contrary in this Lease, the transfer of outstanding capital stock or other listed equity interests, or the purchase of outstanding capital stock or other listed equity interests, or the purchase of equity interests issued in an initial public offering of stock, by persons or parties other than "insiders" within the meaning of the Securities Exchange Act of 1934, as amended, through the "over-the-counter" market or any recognized national or international securities exchange shall not be included in determining whether control has been transferred.

14.7 **Occurrence of Default**. Any Transfer hereunder shall be subordinate and subject to the provisions of this Lease, and if this Lease shall be terminated during the term of any Transfer, Landlord shall have the right to: (i) treat such Transfer as canceled and repossess the Subject Space by any lawful means, or (ii) require that such Transferee attorn to and recognize Landlord as its landlord under any such Transfer. If Tenant shall be in default under this Lease (beyond any applicable notice and cure period), Landlord is hereby irrevocably authorized, as Tenant's agent and attorney-in-fact, to direct any Transferee to make all payments under or in connection with the Transfer directly to Landlord (which Landlord shall apply towards Tenant's obligations under this Lease) until such default is cured. Such Transferee shall rely on any representation by Landlord that Tenant is in default hereunder, without any need for confirmation thereof by Tenant. Upon any assignment, the assignee shall assume in writing all obligations and covenants of Tenant thereafter to be performed or observed under this Lease. No collection or acceptance of rent by Landlord from any Transferee shall be deemed a waiver of any provision of this Article 14 or the approval of any Transferee or a release of Tenant from any obligation under this Lease, whether theretofore or thereafter accruing. In no event shall Landlord's enforcement of any provision of this Lease against any Transferee be deemed a waiver of Landlord's right to enforce any term of this Lease against Tenant or any other person. If Tenant's obligations hereunder have been guaranteed, Landlord's consent to any Transfer shall not be effective unless the guarantor also consents to such Transfer.

14.8 **Non-Transfers**. Notwithstanding anything to the contrary contained in this Article 14, but subject to the terms and provisions of this Section 14.8, (i) an assignment to a transferee or purchaser of all or substantially all of the assets of or a majority of stock or membership interests of Tenant through a purchase, merger, consolidation or reorganization of Tenant by or with another entity (whether such acquisition takes the form of an asset sale, a stock sale or a combination thereof), (ii) an assignment of the Premises to a transferee which is the resulting entity of a merger or consolidation of Tenant with another entity, (iii) an assignment or subletting of all or a portion of the Premises to an affiliate of Tenant (an entity which is controlled by, controls, or is under common control with, Tenant) (each, an "**Affiliate**"), or (iv) a sale of corporate shares of capital stock in Tenant in connection with an initial public offering of Tenant's stock on a nationally-recognized stock exchange, shall not be deemed a Transfer under this Article 14, provided that (A) Tenant notifies Landlord of any such assignment or sublease and promptly supplies Landlord with any documents or information requested by Landlord regarding

such assignment or sublease or such affiliate, (B) such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease, (C) the applicable transferee shall have "reasonable financial worth and/or financial stability" (as defined in Section 14.2 above) immediately after the effective date of the assignment or sublease, and shall continue to use the Premises for the Permitted Use, and (D) any such assignment or sublease shall be subject to the terms and provisions of Section 14.5 of this Lease above (but excluding subpart (iv) thereof) and the transferee shall assume, in a written document reasonably satisfactory to Landlord and delivered to Landlord prior to the effective date of such assignment, all obligations of Tenant under this Lease. "Control," as used in this Section 14.8, shall mean the ownership, directly or indirectly, of at least fifty-one percent (51%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of at least fifty-one percent (51%) of the voting interest in, any person or entity.

ARTICLE 15

SURRENDER OF PREMISES; OWNERSHIP AND REMOVAL OF TRADE FIXTURES

15.1 **Surrender of Premises**. No act or thing done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in writing by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been terminated under applicable laws; provided, however, while not constituting a surrender, the foregoing shall constitute any abandonment of the Premises by Tenant. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises or terminate any or all such sublessees or subtenancies.

15.2 **Removal of Tenant Property by Tenant**. Upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this Article 15, quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear, casualty and repairs which are specifically made the responsibility of Landlord hereunder excepted. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, and such items of furniture (including the Furniture), equipment, business and trade fixtures, free-standing cabinets, movable partitions cabling installed at or by the request of Tenant that is not contained in protective conduit or metal raceway (unless Landlord, in Landlord's sole discretion, elects to keep such cabling as Landlord's property) and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises, and such similar articles of any other persons claiming under Tenant, as Landlord may, in its sole discretion, require to be removed, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal.

ARTICLE 16

HOLDING OVER

If Tenant holds over after the expiration of the Lease Term or earlier termination thereof, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term, and in such case Base Rent shall be payable at a monthly rate equal to the product of (i) the Base Rent applicable during the last rental period of the Lease Term under this Lease, and (ii) a percentage equal to one hundred fifty percent (150%). Such month-to-month tenancy shall be subject to every other applicable term, covenant and agreement contained herein. For purposes of this Article 16, a holding over shall include (A) Tenant's remaining in the Premises after the expiration or earlier termination of the Lease Term, and/or (B) Tenant's failure to remove any Alterations located within the Premises and return the affected portion of the Premises to a Building standard tenant improved condition, as required pursuant to the terms of Section 8.5 of this Lease. Nothing contained in this Article 16 shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Article 16 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. Notwithstanding anything else in this paragraph, if Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, compensate, indemnify and hold Landlord harmless from all loss, lost rents, costs (including reasonable attorneys' fees) and liability resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender and any lost profits to Landlord resulting therefrom; provided, however, following Landlord's execution of a third-party lease which affects the Premises, Landlord shall deliver written notice (the "**New Lease Notice**") of such lease to Tenant and the terms of the foregoing indemnity shall not be effective until the later of (x) the date that occurs thirty (30) days following the date Landlord delivers such New Lease Notice to Tenant, or (y) the date such holdover commences.

ARTICLE 17

ESTOPPEL CERTIFICATES

Within ten (10) business days following delivery by Landlord of a request in writing by Landlord, Tenant shall execute and deliver to Landlord an estoppel certificate, which, as submitted by Landlord, shall be (at Landlord's election) (i) substantially in the form of **Exhibit E**, attached hereto (ii) in the applicable then-most current AIREA form (with tenant also indicating any amounts owed by Landlord to Tenant, or (iii) such other form as may be reasonably required by any prospective mortgagee or purchaser of the Building, or any portion thereof, indicating therein any exceptions thereto that may exist at that time, and shall also contain any other information reasonably requested by Landlord or Landlord's mortgagee or prospective mortgagee. Any such certificate may be relied upon by any prospective mortgagee or purchaser of all or any portion of the Building. Tenant shall execute and deliver whatever other instruments may be reasonably required for such purposes, At any time during the Lease Term, but not more than one (1) time per

calendar year, Landlord may require Tenant to provide Landlord with a current financial statement and financial statements of the two (2) years prior to the current financial statement year and such commercially reasonable supporting documentation as Landlord may reasonably request. At Tenant's request, Landlord, as a condition to Tenant's disclosure of its financial statements upon any such request, shall enter into a commercially reasonable confidentiality agreement with Tenant, which agreement is reasonably acceptable to Landlord and covers the non-public financial information disclosed by Tenant. Failure of Tenant to timely execute and deliver such estoppel certificate or other instruments within five (5) days after a second (2nd) written notice from Landlord shall constitute an acceptance of the Premises and an acknowledgment by Tenant that statements included in the estoppel certificate are true and correct, without exception.

ARTICLE 18

SUBORDINATION

This Lease shall be subject and subordinate to all present and future ground or underlying leases of the Building and to the lien of any mortgage, trust deed or other encumbrances now or hereafter in force against the Building or any part thereof, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages, trust deeds or other encumbrances, or the lessors under such ground lease or underlying leases, require in writing that this Lease be superior thereto. Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage or deed in lieu thereof (or if any ground lease is terminated), to attorn, without any deductions or set-offs whatsoever, to the lienholder or purchaser or any successors thereto upon any such foreclosure sale or deed in lieu thereof (or to the ground lessor), if so requested to do so by such purchaser or lienholder or ground lessor, and to recognize such purchaser or lienholder or ground lessor as the lessor under this Lease, provided such lienholder or purchaser or ground lessor shall agree to accept this Lease and not disturb Tenant's occupancy, so long as Tenant timely pays the rent and observes and performs the TCCs of this Lease to be observed and performed by Tenant (including taking into account applicable notice and cure periods). Landlord's interest herein may be assigned as security at any time to any lienholder. Tenant shall, within ten (10) business days of request by Landlord, execute such further instruments or assurances or commercially reasonable provisions as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds, ground leases or underlying leases or other commercially reasonable requirements of lienholder. Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale. Tenant agrees that the lienholders holding any security device shall have no duty, liability, or obligation to perform any of the obligations of Landlord under this Lease, but that in the event of Landlord's default with respect to any such obligation, Tenant will give any lienholder whose name and address have been furnished to Tenant in writing for such purpose, notice of Landlord's default and allow such lienholder thirty (30) days following receipt of such notice or within such longer period of time as may be reasonably necessary for the cure of said default before invoking any remedies Tenant may have by reason thereof. Upon written request from Tenant, Landlord shall use commercially reasonable efforts to request an SNDA from Landlord's existing lender.

ARTICLE 19

DEFAULTS; REMEDIES

19.1 **Events of Default**. The occurrence of any of the following shall constitute a default of this Lease by Tenant:

19.1.1 Any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease or the failure to deliver any letter of credit or insurance certificates and endorsements required by this Lease, or any part thereof, within five (5) days after Tenant's receipt of written notice of delinquency from Landlord; provided, however, that if Landlord has given Tenant two (2) such delinquency notices in the preceding twelve (12) month period, then Tenant's subsequent failure to pay any Rent or other charge when due shall constitute a default under this Lease without requirement of any notice or cure period; provided further, however, that any such notice given pursuant to this Section 19.1.1 shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161 or any similar or successor law; or

19.1.2 Except where a specific time period is otherwise set forth for Tenant's performance in this Lease, in which event the failure to perform by Tenant within such time period shall be a default by Tenant under this Section 19.1.2, any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant where such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; provided that if the nature of such default is such that the same cannot reasonably be cured within a thirty (30) day period, Tenant shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure such default but in no event exceeding a period of time in excess of ninety (90) days after written notice thereof from Landlord to Tenant; or

19.1.3 To the extent permitted by law, a general assignment by Tenant or any guarantor of this Lease for the benefit of creditors, or the taking of any corporate action in furtherance of bankruptcy or dissolution whether or not there exists any proceeding under an insolvency or bankruptcy law, or the filing by or against Tenant or any guarantor of any proceeding under an insolvency or bankruptcy law, unless in the case of a proceeding filed against Tenant or any guarantor the same is dismissed within sixty (60) days, or the appointment of a trustee or receiver to take possession of all or substantially all of the assets of Tenant or any guarantor, unless possession is restored to Tenant or such guarantor within thirty (30) days, or any execution or other judicially authorized seizure of all or substantially all of Tenant's assets located upon the Premises or of Tenant's interest in this Lease, unless such seizure is discharged within thirty (30) days; or

19.1.4 Abandonment of the Premises by Tenant; or

19.1.5 The failure by Tenant to observe or perform according to the provisions of Articles 5, 8, 10, 14, 17, and/or 18 of this Lease where such failure continues for more than five (5) business days after notice from Landlord; or

19.1.6 The discovery by Landlord that any financial statement or credit information provided to Landlord by Tenant, Tenant's successors-in-interest, or any guarantor of Tenant's obligation hereunder, was intentionally materially false; or

19.1.7 The performance of any Unauthorized Alteration, which notwithstanding any contrary provision of this Lease may, in Landlord's sole and absolute discretion, be deemed (and treated as) a non-curable default by Tenant.

The foregoing notice periods (to the extent provided herein) are in lieu of, and not in addition to, any notice periods provided by law.

19.2 **Remedies Upon Default**. Upon the occurrence of any event of default by Tenant and the expiration of any applicable cure period, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity (all of which remedies shall be distinct, separate, nonexclusive and cumulative), the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

19.2.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim for damages therefor; and Landlord may recover from Tenant the following:

(i) The worth at the time of award of the unpaid rent which has been earned at the time of such termination; plus

(ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and

(v) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by Applicable Law.

(vi) In the event that the Landlord is required to mitigate damages pursuant to California Code of Civil Procedure section 1951.2 or otherwise, the parties agree that such mitigation shall be satisfied by, among other efforts, Landlord using the services of broker with over five years' experience in leasing West SOMA office space to lease and market the space for the remaining term at a rent as reasonably determined by said broker. Landlord may also market the space for a longer or shorter term or as part of a larger space at the market rent in Landlord's reasonable judgment. This paragraph shall not preclude the Landlord from leasing and marketing the space itself to mitigate damages. The above notwithstanding, it shall be considered reasonable for Landlord to offer the Premises for lease solely for the period of time through what would have been the Lease Expiration Date had the lease not been terminated earlier and Landlord shall have no obligation to offer the Premises for lease for any period of time beyond such date. Additionally, Landlord's failure to offer the Premises for such a longer period shall not be admissible for purposes of claiming that Landlord did not seek to reasonably mitigate its damages.

The term "**rent**" as used in this Section 19.2 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 19.2.1(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the "Interest Rate," as that term is defined in Section 25, below, but in no case greater than the maximum amount of such interest permitted by law. As used in Section 19.2.1(iii) above, the "**worth at the time of award**" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

19.2.2 In the event that Tenant's right of possession of the Premises is terminated prior to the end of the initial Lease Term by reason of default, legal process, abandonment, or any other reason other than mutual agreement of the parties, then immediately upon such termination, an amount shall be due and payable by Tenant to Landlord, which amount shall equal: the unamortized portion, as of the effective date of such termination, (which amortization shall be based on the initial Lease Term (as opposed to any Option Terms) and shall be calculated using an interest rate of ten (10%) percent per annum) of the sum of (i) the value of any free, abated, or delayed Base Rent (i.e., the Base Rent stated in this Lease to be abated as an inducement to Tenant's entering into this Lease), and (ii) the amount of all commissions paid by Landlord in order to procure this Lease and all cash paid or other bonus inducement made to or on behalf of Tenant to enter the Lease.

19.2.3 Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

19.2.4 Landlord may, but shall not be obligated to, make any such payment or perform or otherwise cure any such obligation, provision, covenant or condition on Tenant's part to be observed or performed (and may enter the Premises for such purposes). In the event of Tenant's failure to perform any of its obligations or covenants under this Lease, and such failure to pe1fonn poses a material risk of injury or harm to persons or damage to or loss of property, then Landlord shall have the right to cure or otherwise perform such covenant or obligation at any time after such failure to perform by Tenant, whether or not any such notice or cure period set forth in Section 19.1 above has expired. Any such actions undertaken by Landlord pursuant to the foregoing provisions of this Section 19.2.4 shall not be deemed a waiver of Landlord's rights and remedies as a result of Tenant's failure to perform and shall not release Tenant from any of its obligations under this Lease.

19.2.5 In the event of an unauthorized alteration or removal by Tenant pursuant to Article 8, in addition to any other remedy, Tenant, at Landlord's option, shall pay to Landlord within five days of demand, the cost, in Landlord's reasonable judgment, to restore such alterations or removals (including the lost rent required to design, permit, and construct such restoration as well as all administrative costs).

19.2.6 Landlord shall at all times have the rights and remedies (which shall be cumulative with each other and cumulative and in addition to those rights and remedies available under Sections 19.2.1, 19.2.2, 19.2.3, 19.2.4 and 19.2.5 above, or any law or other provision of this Lease), without prior demand or notice except as required by applicable law, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease, or restrain or enjoin a violation or breach of any provision hereof.

19.2.7 In the event of a default, Tenant hereby waives the right to claim restitution with respect to the value of improvements made by Tenant to the Premises.

19.3 **Subleases of Tenant**. Whether or not Landlord elects to terminate this Lease on account of any default by Tenant, as set forth in this Article 19, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

19.4 **Payment by Tenant**. Tenant shall pay to Landlord, within ten (10) days after delivery by Landlord to Tenant of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with Landlord's performance or cure of any of Tenant's obligations pursuant to the provisions of Section 19.2.4 above; and (ii) sums equal to all expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent or in enforcing or attempting to enforce any rights of Landlord under this Lease or pursuant to law, including, without limitation, all legal fees and other amounts so expended arising from a default by Tenant under this Lease beyond any applicable notice and cure periods. Tenant's obligations under this Section 19.4 shall survive the expiration or sooner termination of the Lease Term.

19.5 **Efforts to Relet**. No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlord's interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to Tenant. Tenant hereby irrevocab1y waives any right otherwise available under any law to redeem or reinstate this Lease.

19.6 **Landlord Default**. Notwithstanding anything to the contrary set forth in this Lease, Landlord shall not be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease unless Landlord fails to perform such obligation within thirty (30) days after the receipt of notice from Tenant specifying in detail Landlord's failure to perform; provided, however, if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be in default under this Lease if it shall commence such performance within such thirty (30) day period and thereafter make commercially reasonable efforts to pursue the same to completion. Upon any such default by Landlord under this Lease, Tenant may, except as otherwise specifically provided in this Lease to the contrary, exercise any of its rights provided at law or in equity. **FAILURE TO PROVIDE THE REQUISITE NOTICE AND CURE PERIOD BY TENANT UNDER THIS PARAGRAPH SHALL BE AN ABSOLUTE DEFENSE BY LANDLORD AGAINST ANY CLAIMS FOR FAILURE TO PERFORM ANY OF ITS OBLIGATIONS.**

ARTICLE 20

COVENANT OF QUIET ENJOYMENT

Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant express or implied.

ARTICLE 21

SECURITY DEPOSIT

21.1 **Security Deposit**. Concurrently with Tenant's execution of this Lease, Tenant shall deposit with Landlord a security deposit (the "**Security Deposit**") in the amount set forth in Section 8 of the Summary in certified or official bank check, as security for the faithful performance by Tenant of all of its obligations under this Lease. If Tenant defaults with respect to any provisions of this Lease (after the expiration of any applicable notice and cure period), including, but not limited to, the provisions relating to the payment of Rent, the removal of property and the repair of resultant damage, without any additional notice to Tenant, Landlord may, but shall not be required to apply all or any part of the Security Deposit for the payment of

any Rent or any other sum in default (including, without limitation, the payment of any future rent damages attributable to an early termination of this Lease (specifically including, but in no event limited to, any future rent damages applicable under Section 1951.2 of the California Civil Code or any successor statute)) or for the payment of any amount that Landlord may reasonably spend or may become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss or damage that Landlord may suffer by reason of Tenant's default and Tenant shall, upon demand therefor, restore the Security Deposit to its original amount. Any unapplied portion of the Security Deposit shall be returned to Tenant, or, at Landlord's option, to the last assignee of Tenant's interest hereunder, within sixty (60) days following the expiration of the Lease Term. Tenant shall not be entitled to any interest on the Security Deposit. Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code, or any successor statute. No part of the Security Deposit shall be considered to be held in trust or to be prepayment for any monies to be paid by Tenant under this Lease.

21.2 Provided that no default shall have occurred by Tenant under this Lease and be continuing (beyond any applicable notice and cure period), (i) on the first (1st) anniversary of the Lease Commencement Date, Landlord shall reduce the Security Deposit to the amount of $93,144.00 (and shall return a portion of the Security Deposit equal to $31,048.00 to Tenant within thirty (30) days thereafter), and (ii) on the second (2nd) anniversary of the Lease Commencement Date, Landlord shall reduce the Security Deposit to the amount of $62,096.00 (and shall return a portion of the Security Deposit equal to $31,048.00 to Tenant within thirty (30) days thereafter). In no event shall the Security Deposit be further reduced to an amount below $62,096.00.

ARTICLE 22

SUBSTITUTION OF OTHER PREMISES

INTENTIONALLY OMITTED.

ARTICLE 23

SIGNS

23.1 **In General**. Tenant's identifying signage shall be provided by Landlord, and such signage shall be comparable to that used by Landlord for other similar floors in the Building and shall comply with Landlord's then-current Building standard signage program. Tenant shall have the right to designate a single name strip to be displayed under Tenant's entry in the Building directory. Landlord shall pay for the initial installation of such identifying signage and Building directory entry, and any additions, deletions or modifications to such identifying signage and/or Building directory entry shall be at Tenant's sole expense and subject to the prior written approval of Landlord, in Landlord's reasonable discretion.

23.2 **Prohibited Signage and Other Items**. Any signs, notices, logos, pictures, names or advertisements which are installed outside of the Premises or are visible from outside the Premises and that have not been separately approved by Landlord may be removed without notice by Landlord at the sole expense of Tenant. Tenant may not install any signs on the exterior or roof of the Building or the Common Areas. Any signs, window coverings, or blinds (even if the same

are located behind the Landlord-approved window coverings for the Building), or other items visible from the exterior of the Premises or Building, shall be subject to the prior approval of Landlord, in its sole discretion.

ARTICLE 24

COMPLIANCE WITH LAW

Tenant shall not do anything or suffer anything to be done in or about the Premises or the Building by Tenant or its agents, employees or contractors which will in any way conflict with any applicable law, statute, ordinance or other governmental rule, regulation or requirement now in force or which may hereafter be enacted or promulgated (collectively, the "**Applicable Laws**"). Tenant shall, at its sole cost and expense, promptly comply with any Applicable Laws to the extent the same relate to: (i) Tenant's use or manner of use of the Premises or (ii) any Alterations or improvements made by Tenant to the Premises. Subject to the terms of Section 1.1 above and this Article 24, Tenant shall be responsible, at its sole cost and expense, to make all alterations to the Premises as are required to comply with the Applicable Laws. Notwithstanding anything in this Article 24 to the contrary, if any Alterations or improvements made to the Premises by or on behalf of Tenant results in the Base Building and/or the Common Areas not being in compliance with Applicable Laws (including the ADA) for any reason (including, without limitation, the loss of "grandfathered" rights), then to the extent such noncompliance of any of such Base Building and/or Common Areas would otherwise have occurred with respect to the issuance of a building permit for the construction of any ordinary and customary general office use tenant improvements for the Premises at the time such building permit is issued for the Alterations or improvements made to the Premises by or on behalf of Tenant, then Landlord (as part of Operating Expenses) shall correct such non-compliance with respect to the Base Building and/or Common Areas. The judgment of any court of competent jurisdiction or the admission of Tenant in any judicial action, regardless of whether Landlord is a party thereto, that Tenant has violated any of said governmental measures, shall be conclusive of that fact as between Landlord and Tenant. Landlord shall comply with all Applicable Laws relating to the Base Building (including the Building structure and Building systems located in the Premises and the Building) and the Common Areas, provided that compliance with such Applicable Laws is not the responsibility of Tenant under this Lease, and provided further that Landlord's failure to comply therewith would prohibit Tenant from obtaining or maintaining a certificate of occupancy for the Premises, or would materially adversely affect the safety of Tenant's employees or accessibility or create a significant health hazard for Tenant's employees. Landlord shall be permitted to include in Operating Expenses any costs or expenses incurred by Landlord under this Article 24 to the extent allowable pursuant to the terms and conditions of Section 4.2.4 above to the extent the same relate to Applicable Laws enacted after the Lease Commencement Date.

ARTICLE 25

LATE CHARGES

If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) days after said amount is due, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the overdue amount. The late charge

shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing hereunder which are not paid within ten (10) days after the date they are due shall bear interest from the date when due until paid at a rate per annum equal to the lesser of (i) the annual "**Bank Prime Loan**" rate cited in the Federal Reserve Statistical Release Publication G.13(415), published on the first Tuesday of each calendar month (or such other comparable index as Landlord and Tenant shall reasonably agree upon if such rate ceases to be published) plus two (2) percentage points, and (ii) the highest rate permitted by Applicable Law. Tenant shall not be obligated to pay the late charge or interest pursuant to this Article 25 for the first late payment in any twelve (12) month period, provided such payment is not outstanding more than ten (10) days after written notice hereof from Landlord.

ARTICLE 26

LANDLORD'S RIGHT TO CURE DEFAULT

All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent, except to the extent, if any, otherwise expressly provided herein. If Tenant shall fail to perform any obligation under this Lease, and such failure shall continue in excess of the time allowed under Section 19.1.2, above, unless a specific time period is otherwise stated in this Lease, Landlord may, but shall not be obligated to, upon written notice to Tenant, make any such payment or perform any such act on Tenant's part without waiving its rights based upon any default of Tenant and without releasing Tenant from any obligations hereunder. Except as may be specifically provided to the contrary in this Lease, upon Tenant's default that continues after the expiration of applicable notice and cure periods, Tenant shall pay to Landlord, upon delivery by Landlord to Tenant of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with the remedying by Landlord of Tenant's defaults pursuant to the provisions of this Article 26, above; (ii) sums equal to all losses, costs, liabilities, damages and expenses referred to in Article 10 of this Lease; and (iii) sums equal to all expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent or in enforcing or attempting to enforce any rights of Landlord under this Lease or pursuant to law, including, without limitation, all legal fees and other amounts so expended. Tenant's obligations under this Article 26 shall survive the expiration or sooner termination of the Lease Term.

ARTICLE 27

ENTRY BY LANDLORD

Landlord reserves the right at all reasonable times (including during business hours) and upon 24 hours prior written notice to Tenant (except in the case of an emergency) to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, or to current or prospective mortgagees, ground or underlying lessors or insurers or to prospective tenants (provided that unless Tenant is in default beyond applicable notice and cure periods, the showing to prospective tenants shall only be during the last nine (9) months of the Lease Term); (iii) post notices of nonresponsibility; or (iv) alter, improve or repair the Premises or the Building, or for

structural alterations, repairs or improvements to the Building or the Building's systems and equipment. Notwithstanding anything to the contrary contained in this Article 27, Landlord may enter the Premises at any time to (A) perform services required of Landlord, including janitorial service; (B) take possession due to any breach of this Lease beyond all applicable notice and cure periods in the manner provided herein; and (C) perform any covenants of Tenant which Tenant fails to perform in accordance with Article 26 above. Landlord may make any such entries without the abatement of Rent and may take such reasonable steps as required to accomplish the stated purposes. Subject to Landlord's indemnification of Tenant set forth in Section 10.1 above), Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In an emergency, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises by Landlord in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises. No provision of this Lease shall be construed as obligating Landlord to perform any repairs, alterations or decorations except as otherwise expressly agreed to be performed by Landlord herein. All such entries shall be accomplished as expeditiously as reasonably possible and in a manner so as to cause as little interference to Tenant1s use and occupancy of or access to the Premises as commercially reasonably possible without any requirement for Landlord to employ after-hours or overtime labor.

ARTICLE 28

TENANT PARKING

Tenant shall have the right, but not the obligation, to rent from Landlord, commencing on the Lease Commencement Date, up to, but no more than, the amount of parking passes set forth in Section 9 of the Summary, on a monthly basis throughout the Lease Term, which parking passes shall pertain to the Building parking facility. Tenant hereby notifies Landlord that Tenant elects to rent three (3) reserved parking passes as of the Lease Commencement Date and continuing throughout the Lease Term. In addition, during the Lease Term, upon thirty (30) days' prior written notice to Landlord, Tenant shall have the right from time to time to rent up to, but no more than, the remaining two (2) reserved parking passes (collectively, the "**Unrented Passes**"); provided, however, Tenant's ability to so rent such Unrented Passes shall be subject to availability, as determined by Landlord in Landlord's sole discretion. Tenant shall pay to Landlord for any parking passes so rented by Tenant pursuant to the provisions of this Article 28 on a monthly basis the prevailing rate charged from time to time at the location of such parking passes. In addition, Tenant shall be responsible for the full amount of any taxes imposed by any governmental authority in connection with the renting of such parking passes by Tenant or the use of the parking facility by Tenant. Tenant's continued right to use the parking passes is conditioned upon Tenant abiding by all reasonable rules and regulations which are prescribed from time to time for the orderly operation and use of the parking facility where the parking passes are located, including any sticker or other identification system established by Landlord, Tenant's cooperation in seeing that Tenant's employees and visitors also comply with such rules and regulations and Tenant not being in default under this Lease beyond the expiration of all applicable notice and cure periods.

Landlord specifically reserves the right to change the size, configuration, design, layout and all other aspects of the Building parking facility at any time and Tenant acknowledges and agrees that Landlord may, without incurring any liability to Tenant and without any abatement of Rent under this Lease, from time to time, temporarily close-off or restrict access to the Building parking facility for purposes of permitting or facilitating any such construction, alteration or improvements. Landlord may delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control attributed hereby to the Landlord. The parking passes rented by Tenant pursuant to this Article 28 are provided to Tenant solely for use by Tenant's own personnel and such passes may not be transferred, assigned, subleased or otherwise alienated by Tenant without Landlord's prior approval other than to an assignee of this Lease and or subtenant or other occupant of the Premises previously approved (or deemed approved) in accordance with Article 14 of this Lease by Landlord. Tenant may validate visitor parking by such method or methods as Landlord may establish, at the validation rate from time to time generally applicable to visitor parking. Landlord shall have no obligation to monitor the use of such parking facility, nor shall Landlord be responsible for any loss or damage to any vehicle or other property or for any injury to any person. Tenant's parking passes shall be used only for parking of automobiles no larger than full size passenger automobiles, sport utility vehicles or pick-up trucks only during the hours that Tenant and/or its personnel are conducting business operations from the Premises; provided, however, occasional overnight parking associated with Tenant's or its personnel's conduct of business from the Premises shall be permitted, subject to Tenant's and/or its personnel's compliance with Landlord's rules related to such overnight parking. Tenant shall comply with all rules and regulations which may be adopted by Landlord from time to time and provided to Tenant with respect to parking and/or the parking facilities servicing the Building. Tenant shall not at any time use more parking spaces than the number of parking passes allocated to Tenant or park its vehicles or the vehicles of others in any portion of the Building parking facility not designated by Landlord as a non-exclusive parking area.

ARTICLE 29

MISCELLANEOUS PROVISIONS

29.1 **Terms; Captions**. The words "**Landlord**" and "**Tenant**" as used herein shall include the plural as well as the singular. The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections.

29.2 **Binding Effect**. Subject to all other provisions of this Lease, each of the covenants, conditions and provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective heirs, personal representatives, successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Article 14 of this Lease.

29.3 **No Air Rights**. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease. If at any time any windows of the Premises are temporarily darkened or the light or view therefrom is obstructed by

reason of any repairs, improvements, maintenance or cleaning in or about the Building, the same shall be without liability to Landlord and without any reduction or diminution of Tenant's obligations under this Lease.

29.4 **Modification of Lease**. Should any current or prospective mortgagee or ground lessor for the Building require a modification of this Lease, which modification will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute whatever documents are reasonably required therefor and to deliver the same to Landlord within ten (10) business days following a request therefor. At the request of Landlord or any mortgagee or ground lessor, Tenant agrees to execute a short form of Lease and deliver the same to Landlord within ten (10) business days following the request therefor. No party or entity constituting Tenant shall be released without a written release from Landlord, and Tenant waives its rights under any statute to the contrary.

29.5 **Transfer of Landlord's Interest**. Tenant acknowledges that Landlord has the right to transfer all or any portion of its interest in the Building and in this Lease, and Tenant agrees that in the event of any such transfer, Landlord shall automatically be released from all liability arising after the date of such transfer under this Lease and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder after the date of transfer and such transferee shall be deemed to have fully assumed and be liable for all obligations of this Lease to be performed by Landlord, including the return of any Security Deposit, and Tenant shall attorn to such transferee. Tenant further acknowledges that Landlord may assign its interest in this Lease to a mortgage lender as additional security and agrees that such an assignment shall not release Landlord from its obligations hereunder and that Tenant shall continue to look to Landlord for the performance of its obligations hereunder.

29.6 **Prohibition Against Recording**. Neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant.

29.7 **Landlord's Title**. Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord.

29.8 **Relationship of Parties**. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant.

29.9 **Application of Payments**. Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

29.10 **Time of Essence**. Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

29.11 **Partial Invalidity**. If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

29.12 **No Warranty**. In executing and delivering this Lease, Tenant has not relied on any representations, including, but not limited to, any representation as to the amount of any item comprising Additional Rent or the amount of the Additional Rent in the aggregate or that Landlord is furnishing the same services to other tenants, at all, on the same level or on the same basis, or any warranty or any statement of Landlord which is not set forth herein or in one or more of the exhibits attached hereto.

29.13 **Landlord Exculpation**. The liability of Landlord or the Landlord Parties to Tenant for any default by Landlord under this Lease or arising in connection herewith or with Landlord's operation, management, leasing, repair, renovation, alteration or any other matter relating to the Building or the Premises shall be limited solely and exclusively to an amount which is equal to the net interest of Landlord in the Building (following payment of any outstanding liens and/or mortgages, whether attributable to sales or insurance proceeds or otherwise). Neither Landlord, nor any of the Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. The limitations of liability contained in this Section 29.13 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner of Landlord (if Landlord is a partnership), or trustee or beneficiary (if Landlord or any partner of Landlord is a trust), have any liability for the performance of Landlord's obligations under this Lease. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for Consequential Damages.

29.14 **Entire Agreement**. It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease and this Lease constitutes the parties' entire agreement with respect to the leasing of the Premises and supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. None of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto. Otherwise, such modifications or representation should not be relied upon. Only the Managing Member of the Landlord shall constitute a valid signatory of the Landlord. Tenant hereby acknowledges that neither the real estate broker hereof nor any cooperating broker on this transaction nor, except as otherwise expressly provided herein, the Landlord or any employee or agents of any of said persons has made any oral or written warranties or representations to Tenant relative to the condition or use by Tenant of the Premises or the Office Building Project and Tenant acknowledges that Tenant assumes all responsibility regarding the Occupational Safety Health Act, the legal use and adaptability of the Premises and the compliance thereof with all Applicable Laws and regulations in effect during the Lease Term, subject to the terms and conditions of this Lease.

29.15 **Right to Lease**. Landlord reserves the absolute right to effect such other tenancies in the Building as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Building. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Building.

29.16 **Force Majeure**. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, acts of war, terrorist acts, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed with regard to Rent and other charges to be paid by Tenant pursuant to this Lease (collectively, a "**Force Majeure**"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

29.17 **Waiver of Redemption by Tenant**. Tenant hereby waives, for Tenant and for all those claiming under Tenant, any and all rights now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

29.18 **Notices**.

All notices, demands, statements, designations, approvals, disapprovals, or other communications (collectively, "**Notices**") given or required to be given by either party to the other hereunder or by law shall be in writing, shall be (A) sent by United States certified or registered mail, postage prepaid, return receipt requested ("**Mail**"), (B) transmitted by telecopy to the extent evidenced by a fax confirmation and promptly followed by a Notice sent by Mail, (C) delivered by a nationally recognized overnight courier, or (D) delivered personally. Any Notice shall be sent, transmitted, or delivered, as the case may be, to Tenant or Landlord, as the case may be, at the appropriate address set forth in Section 10 of the Summary, or to such other place as Tenant or Landlord, as the case may be, may from time to time designate in a Notice to the other party. Any Notice will be deemed given (i) three (3) business days after the date it is posted if sent by Mail, (ii) the date the telecopy is transmitted, (iii) the date the overnight courier delivery is made, or (iv) the date personal delivery is made or attempted to be made. If Tenant is notified of the identity and address of Landlord's mortgagee or ground or underlying lessor, Tenant shall give to such mortgagee or ground or underlying lessor written notice of any default by Landlord under the terms of this Lease by registered or certified mail, and such mortgagee or ground or underlying lessor shall be given a reasonable opportunity to cure such default prior to Tenant's exercising any remedy available to Tenant. **IN THE EVENT LANDLORD IS REQUIRED TO PROVIDE ANY REPAIR OR MAINTENANCE SERVICES UNDER THE TERM OF THIS LEASE, AND TENANT NEEDS TO NOTICE LANDLORD THAT SUCH SERVICES ARE REQUIRED, SUCH NOTICE MUST BE MADE AS ABOVE AND IN ADDITION, SUCH**

NOTICE MAY ALSO BE MADE BY EMAIL IN THE FORM OF EXHIBIT G ATTACHED HERETO TO OWNER PROVIDED THAT THE FAILURE TO PERFORM SUCH SERVICES SHALL NOT CONSTITUTE A DEFAULT UNTIL NOTICE IS PROVIDED PURSUANT TO THE METHODS ABOVE. Tenant hereby acknowledges and agrees that in no event shall any oral or e-mail communications between Tenant and Landlord and/or Landlord's agents, officers, employees, representatives and/or contractors (including, without limitation, Landlord's property management personnel for the Building) constitute effective notice under this Section 29.18 or this Lease, or otherwise relieve Tenant of its obligation to provide a Notice to Landlord in accordance with the terms hereof.

29.19 **Joint and Several**. If there is more than one Tenant, the obligations imposed upon Tenant under this Lease shall be joint and several.

29.20 **Authority**. The individuals executing this Lease on behalf of Landlord represent and warrant to Tenant that they are fully authorized and legally capable of executing this Lease on behalf of Landlord and that such execution is binding upon all parties holding an ownership interest in the Building. If Tenant is a corporation, trust, limited liability company or partnership, each individual executing this Lease on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in California and that Tenant has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so.

29.21 **Attorneys' Fees**. In the event that either Landlord or Tenant should bring suit for the possession of the Premises, for the recovery of any sum due under this Lease, or because of the breach of any provision of this Lease or for any other relief against the other, then all costs and expenses, including reasonable attorneys', experts' and arbitrators' fees and costs, incurred by the prevailing party therein, shall be paid by the other party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment.

29.22 **Governing Law; WAIVER OF TRIAL BY JURY**. This Lease shall be construed and enforced in accordance with the laws of the State of California. IN ANY ACTION OR PROCEEDING ARISING HEREFROM, LANDLORD AND TENANT HEREBY CONSENT TO (I) THE JURISDICTION OF ANY COMPETENT COURT WITHIN THE STATE OF CALIFORNIA, (II) SERVICE OF PROCESS BY ANY MEANS AUTHORIZED BY CALIFORNIA LAW, AND (III) IN THE INTEREST OF SAVINO TIME AND EXPENSE, TRIAL WITHOUT A JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (TO THE EXTENT ALLOWED UNDER CALIFORNIA LAW AT THE TIME ANY SUCH ACTION IS FILED) BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR THEIR SUCCESSORS IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE, OR ANY EMERGENCY OR STATUTORY REMEDY. IN THE EVENT LANDLORD COMMENCES ANY SUMMARY PROCEEDINGS OR ACTION FOR NONPAYMENT OF BASE RENT OR ADDITIONAL RENT, TENANT SHALL NOT INTERPOSE ANY COUNTERCLAIM OF ANY NATURE OR DESCRIPTION (UNLESS SUCH COUNTERCLAIM SHALL BE MANDATORY) IN ANY SUCH PROCEEDING OR ACTION, BUT SHALL BE RELEGATED TO AN INDEPENDENT ACTION AT LAW.

29.23 **Submission of Lease**. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of, option for or option to lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

29.24 **Brokers**. Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the real estate brokers or agents specified in Section 11 of the Summary (the "**Brokers**"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent, other than the Brokers, occurring by, through, or under the indemnifying party. The commission payable to Tenant's Broker with respect to this Lease shall be pursuant to the separate written commission agreement in effect between Landlord and Tenant's Broker. No other commission shall be payable, notwithstanding any other provisions of the Lease, and no commission shall be paid on options, expansions or renewals. Nothing in this Lease shall impose any obligation on Landlord to pay a commission or fee to any party other than Tenant's Broker.

29.25 **Independent Covenants**. This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord, except as otherwise expressly provided herein.

29.26 **Building Name and Signage**. Landlord shall have the right at any time to change the name of the Building and to install, affix and maintain any and all signs on the exterior and on the interior of the Building as Landlord may, in Landlord's sole discretion, desire. Tenant shall not use the name of the Building or use pictures or illustrations of the Building in advertising or other publicity or for any purpose other than as the address of the business to be conducted by Tenant in the Premises, without the prior written consent of Landlord.

29.27 **Counterparts**. This Lease may be executed in counterparts with the same effect as if both parties hereto had executed the same document. Both counterparts shall be construed together and shall constitute a single lease.

29.28 **Confidentiality**. Tenant acknowledges that the content of this Lease and any related documents are confidential information. Tenant shall use commercially reasonable efforts to keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Tenant's financial, legal, and space planning consultants, assignees, subtenants, brokers and investors.

29.29 **Transportation Management**. Tenant shall fully comply with all present or future programs governmentally mandated intended to manage parking, transportation or traffic in and around the Building, and in connection therewith, Tenant shall take responsible action for the transportation planning and management of all employees located at the Premises by working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities.

29.30 **Building Renovations**. It is specifically understood and agreed that Landlord has no obligation and has made no promises to alter, remodel, improve, renovate, repair or decorate the Premises, Building, or any part thereof and that no representations respecting the condition of the Premises or the Building have been made by Landlord to Tenant, except as otherwise expressly provided herein. However, Tenant hereby acknowledges that Landlord is currently renovating or may during the Lease Term renovate, improve, alter, or modify (collectively, the "**Renovations**") the Building and/or the Premises. Tenant hereby agrees that such Renovations shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent. Landlord shall have no responsibility and shall not be liable to Tenant for any injury to or interference with Tenant's business arising from the Renovations, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or of Tenant's personal property or improvements resulting from the Renovations, or for any inconvenience or annoyance occasioned by such Renovations provided however that Landlord shall use commercially reasonable efforts to minimize any disturbances caused thereby but shall not be required to employ after-hours or overtime labor. Tenant acknowledges that such renovation, including but not limited repairs and tenant improvement construction, may give rise to noise resulting from such work.

29.31 **No Violation**. Tenant hereby warrants and represents that neither its execution of nor performance under this Lease shall cause Tenant to be in violation of any agreement, instrument, contract, law, rule or regulation by which Tenant is bound, and Tenant shall protect, defend, indemnify and hold Landlord harmless against any claims, demands, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable attorneys' fees and costs, arising from Tenant's breach of this warranty and representation.

29.32 **Communications and Computer Lines**. Tenant may install, maintain, replace, remove or use any communications or computer wires and cables serving the Premises (collectively, the "**Lines**"), provided that (i) Tenant shall obtain Landlord's prior written consent, (which consent shall not be unreasonably withheld) use an experienced and qualified contractor approved in writing by Landlord (which consent shall not be unreasonably withheld), and comply with all of the other provisions of Articles 7 and 8 of this Lease, (ii) an acceptable number of spare Lines and space for additional Lines shall be maintained for existing and future occupants of the Building, as determined in Landlord's reasonable opinion, (iii) the Lines therefor (including riser cables) shall be appropriately insulated to prevent excessive electromagnetic fields or radiation, shall be surrounded by a protective conduit reasonably acceptable to Landlord, and shall be identified in accordance with the "Identification Requirements," as that term is set forth hereinbelow, (iv) any new or existing Lines servicing the Premises shall comply with all applicable governmental laws and regulations, (v) as a condition to permitting the installation of new Lines, Landlord may require that Tenant remove existing Lines located in or serving the Premises and repair any damage in connection with such removal, and (vi) Tenant shall pay all costs in

connection therewith. All Lines shall be clearly marked with adhesive plastic labels (or plastic tags attached to such Lines with wire) to show Tenant's name, suite number, telephone number and the name of the person to contact in the case of an emergency (A) every four feet (4') outside the Premises (specifically including, but not limited to, the electrical room risers and other Common Areas), and (B) at the Lines' termination point(s) (collectively, the "**Identification Requirements**"). Landlord reserves the right to require that Tenant remove any Lines located in or serving the Premises which are installed in violation of these provisions, or which are at any time in violation of any laws or represent a dangerous or potentially dangerous condition.

29.33 **Intentionally Omitted**

29.34 **No Discrimination**. There shall be no discrimination against, or segregation of, any person or persons on account of sex, marital status, race, color, religion, creed, national origin or ancestry in the Transfer of the Premises, or any portion thereof, nor shall the Tenant itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Premises, or any portion thereof.

29.35 **Arbitration**.

29.35.1 **General Submittals to Arbitration**. Except as provided in Section 2.3 of this Lease, the submittal of all matters to arbitration in accordance with the provisions of this Section 29.35 is the sole and exclusive method, means and procedure to resolve any and all claims, disputes or disagreements arising under this Lease, including, but not limited to any matter relating to Landlord's failure to approve an assignment, sublease or other transfer of Tenant's interest in the Lease under Article 14 of this Lease, any other defaults by Landlord, or any Tenant default, except for (i) all claims by either party which seek anything other than enforcement of rights under this Lease, (ii) all claims by either party arising from the determination of the Market Rent, (iii) claims relating to Landlord's exercise of any unlawful detainer rights pursuant to California law or rights or remedies used by Landlord to gain possession of the Premises or terminate Tenant's right of possession to the Premises, which disputes shall be resolved by suit filed in the Superior Court of San Francisco, California, the decision of which court shall be subject to appeal pursuant to Applicable Laws, and (iv) disputes for an amount under $5,000.00 that can be resolved in small claims court. The parties hereby irrevocably waive any and all rights to the contrary and shall at all times conduct themselves in strict, full, complete and timely accordance with the provisions of this Section 29.35 and all attempts to circumvent the terms and conditions of this Section 29.35 shall be absolutely null and void and of no force or effect whatsoever. As to any matter submitted to arbitration (except with respect to the payment of money) to determine whether a matter would, with the passage of time, constitute a default, such passage of time shall not commence to run until any such affirmative arbitrated determination, as long as it is simultaneously determined in such arbitration that the challenge of such matter as a potential Tenant default or Landlord default was made in good faith. As to any matter submitted to arbitration with respect to the payment of money, to determine whether a matter would, with the passage of time, constitute a default, such passage of time shall not commence to run in the event that the party which is obligated to make the payment does in fact make the payment to the other party. Such payment can be made "under protest," which shall occur when such payment is accompanied by a good faith Notice stating the reasons that the party has elected to make a payment under protest. Such protest will be deemed waived unless the subject matter identified in the protest is submitted to arbitration as set forth in this Section 29.35.

29.35.2 **JAMS**. Any dispute to be arbitrated pursuant to the provisions of this Section 29.33 shall be determined by binding arbitration before a retired judge of the Superior Court of the State of California (the "**Arbitrator**") under the auspices of Judicial Arbitration & Mediation Services, Inc. ("**JAMS**"). The parties may agree on a retired judge from the JAMS panel. If they are unable to promptly agree, JAMS will provide a list of three available judges who, to the extent available, have had extensive experience in handling real estate commercial lease transactions as practitioners and each party may strike one. The remaining judge (or if there are two, the one selected by JAMS) will serve as the Arbitrator. In the event that JAMS shall no longer exist or if JAMS fails or refuses to accept submission of such dispute, then the dispute shall be resolved by binding arbitration before the American Arbitration Association ("**AAA**") under the AAA's commercial arbitration rules then in effect. The parties, by electing arbitration, do not intend to limit their ability to obtain a writ of attachment and shall have the same rights thereto as if a lawsuit had commenced, and the parties hereby waive any provision of Civil Code 1281.8 to the contrary. Landlord shall have a right to obtain a writ of attachment for unpaid Rent and damages resulting from a breach in the failure to pay Rent.

29.35.3 **Arbitration Procedure**.

29.35.3.1 **Pre-Decision Actions**. The Arbitrator shall schedule a pre-hearing conference to resolve procedural matters, arrange for the exchange of information, obtain stipulations, and narrow the issues. The parties will submit proposed discovery schedules to the Arbitrator at the pre-hearing conference. The scope and duration of discovery will be within the sole discretion of the Arbitrator. The Arbitrator shall have the discretion to order a pre-hearing exchange of information by the parties, including, without limitation, production of requested documents, exchange of summaries of testimony of proposed witnesses, and examination by deposition of parties and third-party witnesses. This discretion shall be exercised in favor of discovery reasonable under the circumstances.

29.35.3.2 Except in cases of claims exceeding $200,000.00, the arbitrator shall be appointed no later than thirty (30) days after the initial filing of the arbitration. It is the intent of the parties that the arbitrator reach his or her decision within a maximum of sixty (60) days after the appointment of the arbitrator, and no party shall take any action which would result in any delay of such proceedings.

29.35.3.3 While discovery shall be governed by the rules of the body pursuant to which the arbitration proceeding is initiated (for which discovery shall be permitted to the fullest extent of applicable law) and conducted, the parties hereby agree that, except for claims exceeding $400,000.00, there shall be no pre-trial discovery other than the following: (i) up to two (2) depositions taken by each party to the dispute, which deposition shall last for no more than four (4) hours, and (ii) two (2) sets of interrogatories; provided, however, each party shall exchange with the other party, and provide in writing to the other party, not less than fifteen (15) days before the date first set for the commencement of the arbitration: (1) a witness list including the names, addresses, and phone numbers of all witnesses who the party proposes to have testify, together with a brief statement of the nature and subject matter of the witnesses'

anticipated testimony; and (2) a full, complete, and legible set of any and all exhibits which the party anticipates introducing into evidence at the trial (except for purposes of impeachment), together with an exhibit list identifying each such document by date, general description, and exhibit number. Any witness or document not timely disclosed according to this paragraph shall be excluded from the arbitration.

29.35.3.4 For claims of $400,000.00 or less, if any party wishes to present expert (opinion) testimony through non-percipient, retained experts, then, not later than twenty (20) days before the date first set for the commencement of the arbitration, such party shall disclose the identity, address, and phone number of such expert, together with a full written report containing all of the information and meeting all of the requirements of Rule 26(a)(2)(B) of the Federal Rules of Civil Procedure, and all other parties shall have twenty (20) days from the date of such disclosure to: (a) counter-designate an equal number of expert witnesses for each such topic or subject matter, and (b) similarly provide a full written report, as specified above.

29.35.3.5 For claims of $400,000.00 or less, each party shall have a maximum of a single full and regular business day to present its side of the arbitration, including opening statement, examination of its witnesses, cross-examination of any witnesses called by any other side, the presentation of evidence, and closing argument. Notwithstanding the foregoing, for claims less than $200,000, the total duration of the arbitration shall not exceed one (1) regular business day.

29.35.3.6 **The Decision**. The arbitration shall be conducted in San Francisco, California. Any party may be represented by counsel or other authorized representative. In rendering a decision(s), the Arbitrator shall determine the rights and obligations of the parties according to the substantive and procedural laws of the State of California and the provisions of this Lease. The Arbitrator's decision shall be based on the evidence introduced at the hearing, including all logical and reasonable inferences therefrom. The Arbitrator may make any determination, and/or grant any remedy or relief (an "**Arbitration Award**") that is just and equitable. The decision must be based on, and accompanied by, a written statement of decision explaining the factual and legal basis for the decision as to each of the principal controverted issues. The decision shall be conclusive and binding, and it may thereafter be confirmed as a judgment by the Superior Court of the State of California, subject only to challenge on the grounds set forth in the California Code of Civil Procedure Section 1286.2. The validity and enforceability of the Arbitrator's decision is to be determined exclusively by the California courts pursuant to the terms and conditions of this Lease. The Arbitrator shall award costs, including without limitation attorneys' fees, and expert and witness costs, to the prevailing party as defined in California Code of Civil Procedure Section 1032 ("**Prevailing Party**"), if any, as determined by the Arbitrator in his discretion. The Arbitrator's fees and costs shall be paid by the non-prevailing party as determined by the Arbitrator in his discretion. A party shall be determined by the Arbitrator to be the prevailing party if its proposal for the resolution of dispute is the closer to that adopted by the Arbitrator. The failure of either party to advance their portion of the arbitration costs or to proceed promptly with the arbitration or to answer the arbitration claim shall result in their default and waiver of the right to further contest or prosecute the arbitration, and the award (including legal fees) shall be awarded to the other party by the Arbitrator. Further, if any party shall unsuccessfully challenge the right of arbitration or cause a delay in the arbitration, such party shall be responsible to the other party for all damages resulting from such delay, and the Arbitrator shall have the right to immediately award such damages.

29.36 **Hazardous Substances**.

29.36.1 **Definitions**. For purposes of this Lease, the following definitions shall apply: "**Hazardous Material(s)**" shall mean any solid, liquid or gaseous substance or material that is described or characterized as a toxic or hazardous substance, waste, material, pollutant, contaminant or infectious waste, or any matter that in certain specified quantities would be injurious to the public health or welfare, or words of similar import, in any of the "Environmental Laws," as that term is defined below, or any other words which are-intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity or reproductive toxicity and includes, without limitation, asbestos, petroleum (including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof), petroleum products, polychlorinated biphenyls, urea formaldehyde, radon gas, nuclear or radioactive matter, medical waste, soot, vapors, fumes, acids, alkalis, chemicals, microbial matters (such as molds, fungi or other bacterial matters), biological agents and chemicals which may cause adverse health effects, including but not limited to, cancers and /or toxicity. "**Environmental Laws**" shall mean any and all federal, state, local or quasi-governmental laws (whether under common law, statute or otherwise), ordinances, decrees, codes, rulings, awards, rules, regulations or guidance or policy documents now or hereafter enacted or promulgated and as amended from time to time, in any way relating to (a) the protection of the environment, the health and safety of persons (including employees), property or the public welfare from actual or potential release, discharge, escape or emission (whether past or present) of any Hazardous Materials or (b) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any Hazardous Materials.

29.36.2 **Compliance with Environmental Laws**. Landlord covenants that during the Lease Term, Landlord shall comply with all Environmental Laws in accordance with, and as required by, the TCCs of Article 24 of this Lease. Tenant represents and warrants that, except as herein set forth, it will not use, store or dispose of any Hazardous Materials in or on the Premises or the Building. However, notwithstanding the preceding sentence, Landlord agrees that Tenant may use, store and properly dispose of commonly available household cleaners and chemicals to maintain the Premises and Tenant's routine office operations (such as printer toner and copier toner) (hereinafter the "**Permitted Chemicals**"). Landlord and Tenant acknowledge that any or all of the Permitted Chemicals described in this section may constitute Hazardous Materials. However, Tenant may use, store and dispose of same, provided that in doing so, Tenant fully complies with all Environmental Laws.

29.36.3 **Landlord's Right of Environmental Audit**. Landlord may, upon reasonable notice to Tenant, be granted access to and enter the Premises no more than once annually to perform or cause to have performed an environmental inspection, site assessment or audit. Such environmental inspector or auditor may be chosen by Landlord, in its sole discretion, and be performed at Landlord's sole expense. To the extent that the report prepared upon such inspection, assessment or audit, indicates the presence of Hazardous Materials in violation of Environmental Laws caused by Tenant or Tenant's agents, employees, contractors, licensees or invitees, or provides recommendations or suggestions to prohibit the release, discharge, escape or

emission of any Hazardous Materials at, upon, under or within the Premises by Tenant or Tenant's agents, employees, contractors, licensees or invitees, or to comply with any Environmental Laws, Tenant shall promptly, at Tenant's sole expense, comply with such recommendations or suggestions, including, but not limited to performing such additional investigative or subsurface investigations or remediation(s) as recommended by such inspector or auditor. Notwithstanding the above, if at any time, Landlord has actual notice or reasonable cause to believe that Tenant has violated, or permitted any violations of any Environmental Law, then Landlord will be entitled to perform its environmental inspection, assessment or audit at any time, notwithstanding the above mentioned annual limitation, and Tenant must reimburse Landlord for the actual cost or fees reasonably incurred for such as Additional Rent.

29.36.4 **Indemnifications**. Landlord agrees to indemnify, defend, protect and hold harmless Tenant, its partners, subpartners and their respective officers, agents, servants, employees, and independent contractors (each a "**Tenant Party**" and collectively, the "**Tenant Parties**") from and against any liability, obligation, damage or costs, including without limitation, attorneys' fees and costs, resulting directly or indirectly from any use, presence, removal or disposal of any Hazardous Materials in violation of Applicable Laws to the extent such liability, obligation, damage or costs was a result of actions caused by Landlord or a Landlord Party, Tenant agrees to indemnify, defend, protect and hold harmless the Landlord Parties from and against any liability, obligation, damage or costs, including without limitation, attorneys' fees and costs, resulting directly or indirectly from any use, presence, removal or disposal of any Hazardous Materials in violation of Applicable Laws or breach of any provision of this section, to the extent such liability, obligation, damage or costs was a result of actions caused by Tenant or Tenant's agents, employees, contractors, licensees or invitees.

29.37 **Intentionally Omitted**

29.38 **Intentionally Omitted**

29.39 **Disputes as to Payments of Rent**. Tenant (and any other parties liable under this Lease and/or any guarantor under any guaranty executed in connection with this Lease) agrees to pay the Rent (including, but not limited, to all monetary obligations payable by Tenant to Landlord) required under this Lease within the time limits set forth in this Lease. If Tenant receives from Landlord an invoice, statement, or notice, which is sent by Landlord in good faith, and Tenant in good faith disputes whether all or a part of the Rent stated in such invoice is due and owing, Tenant shall nevertheless pay to Landlord the amount of the Rent indicated on the invoice or statement until Tenant receives a final judgment from a court of competent jurisdiction (or when arbitration is permitted, receives a final award from an arbitrator) relieving or mitigating Tenant's obligation to pay such Rent. Under such circumstances, Tenant shall, concurrently with the payment of such Rent, provide Landlord with a letter or notice (transmitted pursuant to the TCCs of Section 29.18) entitled "Payment Under Protest", specifying in detail why Tenant is not required to pay all or part of such Rent. Tenant will be deemed to have waived its right to contest any past payment of Rent unless it has filed a lawsuit against Landlord (or when arbitration is permitted or required, filed for arbitration and has served Landlord with notice of such filing), and has served a summons on Landlord, within one (1) year of the earlier to occur of: (i) the date of Tenant's payment of such Rent, and (ii) the date payment of such Rent (or portion thereof) is first required pursuant to the TCCs of this Lease or, if such a date is not specified herein, the date payment of

such Rent (or portion thereof) is first requested by Landlord. Landlord shall have the right to summary or accelerated proceeding or a motion to compel the advancement of Rent to enforce the obligations to advance Rent under this Section 29.37.

29.40 **Effectiveness of Lease**. This Lease shall not be effective until it is mutually signed by, and delivered to, both parties, and neither party should detrimentally rely upon the TCCs set forth in this Lease until such time. No amendment or modification shall be effective until it is mutually signed and delivered to both parties, and neither party should rely upon the TCCs set forth in any amendment or modification until such time. NO VERBAL REPRESENTATION, AGREEMENT, OR PROMISE OF LANDLORD OR ANY OF ITS EMPLOYEES OR REPRESENTATIVES SHALL BE EFFECTIVE WITHOUT A MUTUALLY SIGNED AND DELIVERED WRITING. ONLY THE MANAGING MEMBER MAY SIGN FOR THE LANDLORD. Preparation of this Lease by Tenant's agent and submission of same to Tenant shall not be deemed an offer to Tenant to lease. This Lease shall become binding upon Landlord and Tenant only when fully executed by and delivered to both parties. Any documents signed by only Tenant shall be considered only an offer until mutually executed by Landlord.

29.41 **Certified Access Specialist (CASp)**. For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Premises have not undergone inspection by a Certified Access Specialist (CASp).

29.42 **Bicycles**. Tenant shall be permitted to keep bicycles in the Premises.

29.43 **Dogs**. Notwithstanding anything to the contrary contained elsewhere in this Lease, during the Lease Term, Tenant's employees shall be permitted to bring into the Premises on a daily basis (during those times in which Tenant is present in the Premises) up to an aggregate of four (4) fully-domesticated, fully-vaccinated, trained dogs that are kept by such employees as pets (collectively, the "**Permitted Dogs**"), subject to the following terms and conditions:

29.43.1 all Permitted Dogs shall be strictly controlled at all times, shall not be left unattended in the Premises or the Building and/or Common Areas at any time, shall not be permitted to walk or otherwise roam through the Building and/or Common Areas and shall not be permitted to foul, damage or otherwise mar any part of the Premises or the Building and/or Common Areas;

29.43.2 all Permitted Dogs shall be on a leash at all times that they are not entirely within the Premises;

29.43.3 Tenant shall not bring the Permitted Dogs to the Building and/or Common Areas if any of the Permitted Dogs become ill or contract a disease that could potentially threaten the health or well-being of any tenant or occupant of the Building (which diseases shall include, without limitation, rabies, leptospirosis, flea infestation and Lyme disease);

29.43.4 the Permitted Dogs must use the stairs, and not the elevator, to access the Premises;

29.43.5 Tenant shall be responsible for any additional cleaning costs and all other costs which may arise from the presence of the Permitted Dogs in the Building and/or Common Areas in excess of the costs that would have been incurred had the Permitted Dogs not been allowed in or around the Building and/or Common Areas;

29.43.6 Tenant assumes responsibility for, and agrees at the sole discretion of Landlord to indemnify, defend and hold Landlord and the Landlord Parties harmless from, any and all Claims, arising from, resulting from or connected with any and all acts (including but not limited to biting or causing bodily injury to, or damage to the property of, Landlord or any other tenant, subtenant, occupant, licensee or invitee of the Building and/or Common Areas) of, or the presence of, any Permitted Dogs in, on or about the Building and/or Common Areas;

29.43.7 Tenant shall immediately remove any waste and excrement of any Permitted Dogs from the Building and/or Common Areas and properly clean the affected area;

29.43.8 any Permitted Dogs shall not bark excessively or otherwise create a nuisance at the Building and/or Common Areas;

29.43.9 the Permitted Dogs shall not be allowed in the Common Areas, except en route to the Premises;

29.43.10 Tenant shall provide Landlord with evidence reasonably satisfactory to Landlord that Tenant's liability insurance provided pursuant to Section 10.3 above covers dog-related injuries and damage;

29.43.11 Tenant shall be responsible for, and indemnify, defend, protect and hold Landlord and the Landlord Parties harmless from and against, any and all costs to remedy any and all damage caused by any Permitted Dogs to the Premises (including any tenant improvements therein), the Building and/or Common Areas and/or the property of Landlord or any other tenant, subtenant, occupant, licensee or invitee of the Building; and

29.43.12 Tenant shall comply with all Applicable Laws associated with or governing the presence of the Permitted Dogs within the Building and/or Common Areas, and such presence shall not violate the certificate of occupancy for the Building.

Landlord shall have the unilateral right at any time to rescind Tenant's right to have any dogs in the Premises (other than service animals in accordance with the Rules and Regulations attached to the Lease as **Exhibit D**), if in Landlord's good faith determination, there is a legitimate business reason not to continue to allow any such dogs into the Building and/or Common Areas, including, without limitation, if (i) the Permitted Dogs are, in Landlord's reasonable judgment, a substantial nuisance to the Building and/or Common Areas (for purposes hereof, the causes for which the Permitted Dogs may be found to be a "substantial nuisance" include but are not limited to (A) Tenant's failure to remove any waste and excrement of any Permitted Dogs from the Building and/or Common Areas and properly clean the affected area, or (B) the Permitted Dogs damaging or destroying property in the Building and/or Common Areas), (ii) other tenants or occupants of the Building complain about the Permitted Dogs, or (iii) other tenants or occupants of the Building demand access rights for other dogs or pets to the Building and/or Common Areas as a result of the presence of the Permitted Dogs or access by the Permitted Dogs to any portion of the Building and/or Common Areas. The rights granted herein with respect to the Permitted Dogs shall not apply or be transferable to any other animal, and in the event the Tenant wishes to bring an animal

or dog other than the Permitted Dogs (or service animals) into the Building and/or Common Areas, Tenant shall submit a written request to Landlord for its approval, which approval may be withheld in Landlord's sole and absolute discretion.

29.44 **Furniture**. Tenant hereby acknowledges that the Premises are being delivered to Tenant with certain existing furniture, fixtures and equipment items located therein, as more particularly described on **Exhibit H** attached hereto, and Tenant agrees to accept such Furniture items in their "AS-IS," "WHERE-IS," "WITH ALL FAULTS" condition, and without any representations or warranties whatsoever by Landlord (including, without limitation, as to title, ownership, encumbrances, condition, suitability, merchantability or fitness). Tenant hereby agrees that, as between Landlord and Tenant, the Furniture shall at all times under this Lease be deemed to be the personal property of Tenant, and as a result, Tenant shall be solely responsible, at Tenant's sole cost and expense, for maintaining, repairing and insuring the Furniture and otherwise complying with respect to the Furniture with all of the terms and provisions of this Lease pertaining to Tenant's personal property. Following the expiration or earlier termination of this Lease, in accordance with Article 15 above, Tenant shall remove or cause to be removed from the Premises such Furniture, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal.

29.45 **Prohibited Persons and Transactions**. Tenant represents and warrants that neither Tenant nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become, a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("**OFAC**") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and will not Transfer this Lease to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written.

"Landlord":

SF OFFICE 2, LLC, a Delaware limited liability company

By: /s/ Sean Bannon

Its: President

"Tenant":

LIFE360, Inc., a Delaware corporation

By: /s/ Chris Hulls

Its: CEO

By: /s/ Alex Haro

Its: CEO

EXHIBIT 10.21

AMENDMENT TO LEASE

This AMENDMENT TO LEASE ("**Amendment**") is made and entered into effective as of Nov. 25, 2013, by and between SF OFFICE 2, LLC, a Delaware limited liability company ("**Landlord**") and LIFE360, Inc., a Delaware corporation ("**Tenant**").

R E C I T A L S:

A. Landlord and Tenant entered into that certain Lease dated as of October __, 2013 (the "**Lease**") pursuant to which Landlord leased to Tenant and Tenant leased from Landlord certain "Premises", as described in the Lease, in that certain building located at 539 Bryant Street, San Francisco, California 94107.

B. Except as otherwise set forth herein, all capitalized terms used in this Amendment shall have the same meaning as such terms have in the Lease.

C. Landlord and Tenant desire to amend the Lease to confirm the commencement and expiration dates of the term, as hereinafter provided.

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Confirmation of Dates. The parties hereby confirm that the term of the Lease commenced as of Nov. 6, 2013 (the "**Lease Commencement Date**") for a term of three (3) years ending on Nov. 30, 2016 (the "**Lease Expiration Date**"), unless sooner terminated as provided in the Lease.

2. No Further Modification. Except as set forth in this Amendment, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, this Amendment has been executed as of the day and year first above written.

"Landlord":

SF OFFICE 2, LLC
a Delaware limited liability company

By: /s/ Sean Bannon
Name: Sean Bannon
Its: President

"Tenant":

LIFE360, Inc.
a Delaware corporation

By: /s/ Chris Hulls
Name: Chris Hulls
Its: CEO

By: /s/ Alex Haro
Name: Alex Haro
Its: CTO

Exhibit 10.22

SECOND AMENDMENT TO OFFICE LEASE

THIS SECOND AMENDMENT TO OFFICE LEASE (this "**Second Amendment**") is dated effective as of November 24, 2014 (the "**Effective Date**"), by and between SF OFFICE 2, LLC, a Delaware limited liability company ("**Landlord**"), and LIFE360, INC., a Delaware corporation ("**Tenant**").

RECITALS:

A. Landlord and Tenant entered into that certain Office Lease dated as of October ___, 2013 (the "**Original Lease**"), as amended by that certain Amendment to Lease dated as of November 25, 2013 (the "**First Amendment**") between Landlord and Tenant. The Original Lease and First Amendment are sometimes collectively referred to herein as the "**Lease**".

B. Pursuant to the Lease, Landlord currently leases to Tenant and Tenant leases from Landlord approximately 7,762 rentable square feet of space (the "**Original Premises**"), commonly known as Suite 402, and located on the fourth (4th) floor of that certain building located at 539 Bryant Street, San Francisco, California (the "**Building**").

C. Landlord and Tenant now desire to amend the Lease to: (i) expand the Original Premises to include that certain space, commonly known as Suite 400 and containing approximately 3,602 rentable square feet located on the fourth (4th) floor of the Building, as depicted on **Exhibit A** attached hereto (the "**Expansion Space**"); (ii) extend the Lease Term for the Original Premises; and (iii) modify various terms and provisions of the Lease, all as hereinafter provided.

D. All capitalized terms when used herein shall have the same meanings given such terms in the Lease unless expressly superseded by the terms of this Second Amendment.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Expansion Space.

1.1 Expansion Space Commencement Date. For purposes of this Second Amendment, the term "**Expansion Space Commencement Date**" shall mean the date which is the earlier of: (i) the date upon which Tenant commences business operations in all or any portion of the Expansion Space; and (ii) the date Landlord delivers possession of the Expansion Space to Tenant. The Expansion Space Commencement Date is anticipated to be January 1, 2015 (the "**Anticipated Expansion Space Commencement Date**"). If Landlord, for any reason whatsoever, cannot deliver possession of the Expansion Space to Tenant by the Anticipated Expansion Space Commencement Date or any other date, then Tenant shall not have any right to terminate the Lease (as hereby amended), and Landlord shall not be liable to Tenant for any loss or damage resulting therefrom.

1.2 Confirmation of Dates. After the Expansion Space Commencement Date occurs, Landlord shall deliver to Tenant a Third Amendment to Office Lease (the "**Third Amendment**"), substantially in the form of **Exhibit B** attached hereto, setting forth, among other things, the Expansion Space Commencement Date and the Revised Expiration Date (as defined below), which Third Amendment Tenant shall execute and return to Landlord within five (5) business days after Tenant's receipt thereof. If Tenant fails to execute and return the Third Amendment within such 5-business day period, Tenant shall be deemed to have approved and confirmed the dates set forth therein provided that such deemed approval shall not relieve Tenant of its obligation to execute and return the Third Amendment (and such failure shall constitute a default by Tenant hereunder).

1.3 Expansion; Expansion Space Term. Commencing upon the Expansion Space Commencement Date: (i) the Original Premises shall be expanded to include the Expansion Space; (ii) the Expansion Space shall be leased on the same terms and conditions set forth in the Lease, subject to the modifications set forth in this Second Amendment; and (iii) the "**Premises**" (as defined in the Lease) shall mean, collectively, the Original Premises and the Expansion Space and shall contain a total of approximately 11,364 rentable square feet. The lease term for the Expansion Space (the "**Expansion Space Term**") shall be for the three (3) year period commencing upon the Expansion Space Commencement Date and expiring on the date that is three (3) years after the Expansion Space Commencement Date (the "**Revised Expiration Date**"), unless sooner terminated as provided in the Lease, as hereby amended.

2. Extension of Lease Term for Original Premises. Notwithstanding anything in the Lease (as hereby amended) to the contrary, the Lease Term for the Original Premises, which is currently scheduled to expire on November 30, 2016, is hereby extended until the Revised Expiration Date.

3. Base Rent for Expansion Space. During the Expansion Space Term, the Base Rent payable by Tenant for the Expansion Space shall be (i) calculated separate and apart from the Base Rent payable for the Original Premises, and (ii) as set forth in the following schedule:

Months of Expansion Space Term	Annual Base Rent	Monthly Base Rent	Annual Base Rental Rate per Rentable Square Foot of Expansion Space
1 – 12	$216,120.00	$18,010.00	$60.00
13 – 24	$222,603.60	$18,550.30	$61.80
25 – 36	$229,267.30	$19,105.61	$63.65

4. Base Rent for Original Premises. During the period from the Effective Date through and including November 30, 2016, the Base Rent payable by Tenant for the Original Premises shall be as set forth in Section 4 of the Summary attached to the Original Lease. From and after December 1, 2016 through the remainder of the Expansion Space Term, the Base Rent payable by Tenant for the Original Premises shall be (i) calculated separate and apart from the Base Rent payable for the Expansion Space, and (ii) equal to $494,051.30 per year ($41,170.94 per month) (i.e., $63.65 per rentable square foot of the Original Premises per year).

5. Tenant's Share of Direct Expenses; Base Year. During the Expansion Space Term: (i) Tenant's Share of increases in Direct Expenses with respect to the Expansion Space shall be calculated together with Tenant's Share of increases in Direct Expenses with respect to the Original Premises; (ii) Tenant's Share of Direct Expenses for the Original Premises and the Expansion Space shall be revised to be 20.44% (i.e., 11,364 rentable square feet within the Original Premises and the Expansion Space/55,597 rentable square feet within the Building); and (iii) for purposes of calculating Tenant's Share of increases in Direct Expenses with respect to the Expansion Space and the Original Premises, the Base Year shall continue to be the calendar year 2014.

6. Utilities/Janitorial/Refuse Reimbursement. During the Expansion Space Term: (i) Tenant shall continue to be responsible for all costs relating to Tenant's utilities and janitorial services required in connection with the Common Areas of the Building and the entire Premises (i.e., the Original Premises and the Expansion Space) pursuant to Section 4.3.3 of the Original Lease; and (ii) notwithstanding anything in the Lease (as hereby amended) to the contrary, the Utilities/Janitorial/Refuse Reimbursement amount payable by Tenant in connection with Landlord's estimate of Tenant's obligations to reimburse utilities, Common Area janitorial and refuse shall equal $3,977.40 per month (i.e., $4.20 per rentable square foot of the entire Premises per year), or such other reasonable estimate as Landlord shall designate from time to time (but not more than twice during any Expense Year).

7. Condition of the Premises. Tenant acknowledges and agrees that the Original Premises and Expansion Space have previously been constructed including interior tenant improvements therein. Tenant shall accept (i) the Original Premises in its current "AS IS" condition as of the Effective Date, and (ii) the Expansion Space in its current "AS IS" condition as of the Effective Date and the Expansion Term Commencement Date, without any obligation on Landlord's part to construct or pay for any alterations or improvements refurbishment work to the Original Premises or Expansion Space, except as otherwise provided in Section 8 below. In addition, for purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that neither the Original Premises nor the Expansion Space has undergone inspection by a Certified Access Specialist (CASp).

8. Refurbishment Allowance.

8.1 Refurbishment Allowance. Notwithstanding Section 7 above to the contrary and subject to the provisions of Section 8.2 below, Tenant shall be entitled to receive from Landlord a one (1) time refurbishment allowance (the "**Refurbishment Allowance**") in the amount of up to, but not exceeding, $18,010.00 (i.e., $5.00 per rentable square foot of the Expansion Space) to help reimburse Tenant for the actual out-of-pocket costs incurred and paid for by Tenant (collectively, the "**Refurbishment Costs**") during the period from the date of mutual execution and delivery of this Second Amendment through and including December 31, 2015 (the "**Refurbishment Period**") in connection with the design, construction, acquisition and installation of any permanently affixed Tenant improvements and alterations which are made and/or installed by or for Tenant in or to the Expansion Space, including, without limitation, removing the existing

demising wall that currently separates the Original Premises from the Expansion Space (collectively, the "**Refurbishment Work**"). The Refurbishment Work shall be undertaken by Tenant in accordance with Articles 8 and 9 of the Original Lease. Subject to the limitations set forth herein below, Landlord shall disburse the portion of the Refurbishment Allowance to be used to reimburse Tenant for the Refurbishment Costs pertaining to the Refurbishment Work within thirty (30) days after Landlord has received all of the following (collectively, the "**Refurbishment Work Draw Documents**"): (i) a request for payment by Tenant certifying that the Refurbishment Work has been completed; (ii) factually correct invoices and paid receipts for labor and materials rendered in connection with and evidencing the Refurbishment Work and the amount of the Refurbishment Costs actually incurred and paid by Tenant therefor; (iii) executed final, unconditional mechanic's lien releases from all contractors, subcontractors and other persons or entities performing the Refurbishment Work, reasonably satisfactory to Landlord; and (iv) all other information reasonably requested by Landlord.

8.2 Disbursement of Refurbishment Allowance. In no event shall Landlord be obligated to make disbursements pursuant to this Section 8 in a total amount which exceeds the Refurbishment Allowance. In addition, Landlord shall have no obligation to disburse (i) any portion of the Refurbishment Allowance with respect to any Refurbishment Work that is performed prior to or after the Refurbishment Period, and/or (ii) any portion of the Refurbishment Allowance with respect to any Refurbishment Work Draw Documents delivered by Tenant prior to or after the Refurbishment Period. Tenant shall not be entitled to receive any portion of the Refurbishment Allowance that is not used to pay for the Refurbishment Costs of the Refurbishment Work incurred during the Refurbishment Period, and any such unused amounts of the Refurbishment Allowance as of the end of the Refurbishment Period shall revert to Landlord and Tenant shall have no further rights with respect thereto.

9. Parking. Effective from and after the Expansion Space Commencement Date, the following revisions shall be made to the Original Lease: (i) Section 9 of the Summary attached to the Original Lease shall be deleted and replaced in its entirety with the following: "Five (5) reserved parking passes subject to the terms of Article 28 (as revised by the Second Amendment to Office Lease dated November 24, 2014 between Landlord and Tenant [the "Second Amendment"]), at the prevailing monthly rate (which rate is currently $285.00 per reserved parking pass per month)"; and (ii) the first three (3) sentences of Article 28 of the Original Lease shall be deleted and replaced in their entirety with the following: "Tenant shall rent throughout the Expansion Space Term (as may be extended) the number of reserved parking passes set forth in Section 9 of the Summary (as amended by the Second Amendment) in those portions of the courtyard of the Building's parking facility as shall be designated by Landlord from time to time."

10. Extension Option. Effective as of the Effective Date, Tenant's existing Extension Option in Section 2.3 of the Original Lease shall also apply to the Expansion Space, and Tenant must exercise such option to extend the Expansion Space Term, if at all, with respect to the entire Premises (i.e., the Original Premises and the Expansion Space) and may not elect to extend the Expansion Space Term with respect to only a portion thereof; accordingly, effective as of the Effective Date: (i) all references to the "Premises" in Section 2.3 of the Original Lease shall mean and refer to the entire Premises (i.e., the Original Premises and the Expansion Space); (ii) all references to the "Option Term" in Section 2.3 of the Original Lease shall mean and refer to the three (3)-year period immediately following the Revised Expiration Date; (iii) all references in

Section 2.3 of the Original Lease to the "initial lease term" and/or the "Lease Term" shall mean and refer to the Expansion Space Term; (iv) all references in Section 2.3 of the Original Lease to "this Lease" shall mean and refer to the Lease as amended by this Second Amendment; and (v) the phrase "nine (9) months nor less than six (6) months" in Section 2.3.3 of the Original Lease shall be deleted and replaced in its entirety with the phrase "twelve (12) months nor less than nine (9) months".

11. Security Deposit. Concurrently with Tenant's execution and delivery of this Second Amendment, Tenant shall deliver to Landlord the sum $103,088.00, which amount shall be added to and increase the Security Deposit currently held by Landlord pursuant to the Lease, as amended hereby, such that the total Security Deposit thereafter held by Landlord shall equal $227,280.00. In addition, Section 21.2 of the Original Lease is hereby deleted and replaced in its entirety with the following:

"21.2 Notwithstanding anything in this Lease to the contrary, and provided that no default shall have occurred by Tenant under this Lease and be continuing (beyond any applicable notice and cure period): (i) on the first (1st) anniversary of the Expansion Space Commencement Date (as defined in the Second Amendment) (the "First Security Deposit Reduction Date"), Landlord shall reduce the then-current Security Deposit held by Landlord by $56,820.00 (such that after such reduction, the remaining amount of the Security Deposit shall be $170,460.00); and (ii) on the second (2nd) anniversary of the Expansion Space Commencement Date (the "Second Security Deposit Reduction Date"), Landlord shall reduce the Security Deposit held by Landlord by $56,820.00 (such that after such reduction, the remaining amount of the Security Deposit shall be $113,640.00). The First Security Deposit Reduction Date and the Second Security Deposit Reduction Date are each sometimes referred to herein as a "Security Deposit Reduction Date". Each applicable Security Deposit refund shall be made by check delivered to Tenant within thirty (30) days following the applicable Security Deposit Reduction Date. In no event shall the Security Deposit be reduced to an amount below $113,640.00."

12. Brokers. Landlord and Tenant each hereby represents and warrants to the other party that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Second Amendment other than Colliers International (representing Landlord) and Custom Spaces (representing Tenant) (collectively, the "**Brokers**"), and that it knows of no real estate broker or agent (other than the Brokers) who is entitled to a commission in connection with this Second Amendment. Landlord shall pay the brokerage commissions owing to the Brokers in connection with this Second Amendment pursuant to the terms of a separate written agreement or agreements by and/or among Landlord and the Brokers. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses (including, without limitation, reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent (other than Brokers) in connection with this Second Amendment, occurring by, through or under the indemnifying party.

13. No Further Modification. Except as set forth in this Second Amendment, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect.

14. Counterparts. This Second Amendment may be executed in multiple counterparts, each of which is to be deemed original for all purposes, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Second Amendment has been executed as of the day and year first above written.

"LANDLORD"

SF OFFICE 2, LLC,

By: /s/ Sean Bannon
Name: Sean Bannon
Its: President

"TENANT"

LIFE360, INC.,
a Delaware corporation

By: /s/ Chris Hulls
Name: Chris Hulls
Its: CEO

By: /s/ Alex Haro
Name: Alex Haro
Its: President

EXHIBIT B

THIRD AMENDMENT TO OFFICE LEASE

THIS THIRD AMENDMENT TO OFFICE LEASE (this "**Third Amendment**") is made and entered into as of 1.13.15 (the "**Effective Date**"), by and between SF OFFICE 2, LLC, a Delaware limited liability company ("**Landlord**"), and LIFE360, INC., a Delaware corporation ("**Tenant**").

RECITALS:

A. Landlord and Tenant entered into that certain Office Lease dated as of October __, 2013 (the "**Original Lease**"), as amended by that certain Amendment to Lease dated as of November 25, 2013 (the "**First Amendment**") between Landlord and Tenant, pursuant to which Landlord leased to Tenant and Tenant leased from Landlord approximately 7,762 rentable square feet of space (the "**Original Premises**"), commonly known as Suite 402, and located on the fourth (4th) floor of that certain building located at 539 Bryant Street, San Francisco, California (the "**Building**").

B. Landlord and Tenant entered into that certain Second Amendment to Office Lease dated as of November 24, 2014 (the "**Second Amendment**"), pursuant to which the parties, among other things, expanded the Original Premises to include that certain space, commonly known as Suite 400 and containing approximately 3,602 rentable square feet located on the fourth (4th) floor of the Building, as depicted on Exhibit A attached to the Second Amendment (the "**Expansion Space**").

C. The Original Lease, First Amendment and Second Amendment are sometimes collectively referred to herein as the "**Lease**".

D. Except as otherwise set forth herein, all capitalized terms used in this Third Amendment shall have the same meaning as given such terms in the Lease.

E. Landlord and Tenant desire to amend the Lease to confirm the Expansion Space Commencement Date and Revised Expiration Date, as hereinafter provided.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Confirmation of Dates. The parties hereby confirm that the Expansion Space Term commenced as of 1.1.15 (the "**Expansion Space Commencement Date**") for a term ending on 12.31.2017 (the "**Revised Expiration Date**") (unless sooner terminated as provided in the Lease).

2. No Further Modification. Except as set forth in this Third Amendment, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, this Third Amendment has been executed as of the day and year first above written.

"LANDLORD"

SF OFFICE 2, LLC,
a Delaware limited liability company

By: /s/ Sean Banner
Name: Sean Banner
Its: President

"TENANT"

LIFE360, INC.,
a Delaware corporation

By: /s/ Chris Hulls
Name: Chris Hulls
Its: CEO

By: /s/ Alex Haro
Name: Alex Haro
Its: President

Exhibit 10.24

FOURTH AMENDMENT TO OFFICE LEASE

This Fourth Amendment to Office Lease (this "Fourth Amendment") is made and entered into by and between **TRPF 539 BRYANT STREET LP**, a Delaware limited partnership ("Landlord"), as successor-in-interest to SF Office 2, LLC ("Original Landlord"), and **LIFE360, INC.**, a Delaware corporation ("Tenant"), and shall be effective as of the date that Landlord executes this Fourth Amendment (the "Effective Date").

W I T N E S S E T H:

WHEREAS, Landlord and Tenant are parties to that certain Office Lease dated as of October __, 2013, originally entered into by and between Original Landlord and Tenant (the "Original Lease"), as amended by (i) that certain Amendment to Lease dated as of November 25, 2013 (the "First Amendment"), (ii) that certain Second Amendment to Office Lease dated as of November 24, 2014 (the "Second Amendment"), and (iii) that certain Third Amendment to Office Lease dated as of January 13, 2015 (the "Third Amendment") (the Original Lease, as so amended, hereinafter referred to as the "Lease"), pursuant to which Tenant leases from Landlord certain premises containing approximately 11,364 rentable square feet of space designated as Suites 400 and 402 (the "Existing Premises") on the fourth (4th) floor of the office building located at 539 Bryant Street, San Francisco, California 94107 (the "Building"); and

WHEREAS, Landlord has succeeded to all the right, title and interest of Original Landlord in and to the Lease; and

WHEREAS, the Lease Term is currently scheduled to expire on December 31, 2017 (the "Current Expiration Date"); and

WHEREAS, Landlord and Tenant desire to amend the terms of the Lease to extend the Lease Term, expand the Premises and modify certain other terms and provisions of the Lease, all as more particularly provided herein below;

NOW, THEREFORE, pursuant to the foregoing, and in consideration of the mutual covenants and agreements contained in the Lease and herein, the Lease is hereby modified and amended as set out below:

1. Definitions/Remeasurement. All capitalized terms used herein shall have the same meaning as defined in the Lease, unless otherwise defined in this Fourth Amendment. Tenant hereby acknowledges and agrees that the Existing Premises and the Building have both been remeasured. Accordingly effective as of the Extension Commencement Date, the Existing Premises shall be deemed to contain a total of 12,894 square feet of rentable area and the Building shall be deemed to contain a total of 57,482 rentable square feet. Such remeasurements shall not have any affect prior to the Extension Commencement Date.

2. Expansion of Premises. Effective on and as of the date upon which Landlord delivers possession of the below-defined Premises broom-swept, vacant and with hall Building systems in good working condition, but no earlier than January 1, 2018 (the "Expansion Commencement Date"), the Existing Premises shall be expanded to include that certain

4,098 rentable square feet of space as further depicted on Exhibit A attached hereto (the "Expansion Premises"), for a term that is coterminous with the Lease Term, as extended pursuant to Paragraph 3 below. As of the Expansion Commencement Date, the Existing Premises and the Expansion Premises shall collectively hereinafter be known as the "Premises" and shall contain a total of 16,992 rentable square feet (i.e., since the new measurement for the Existing Premises shall be utilized as noted in Paragraph 1 above) made up of the entirety of the fourth (4th) floor of the office building. Landlord shall use commercially reasonable efforts to deliver the Expansion Premises to Tenant as of the Expansion Commencement Date; provided, however, Tenant acknowledges that an existing tenant currently occupies the Expansion Premises pursuant to a lease agreement with Landlord that is currently scheduled to expire on March 18, 2018 and that Landlord shall not be liable to Tenant nor shall this Fourth Amendment be void or voidable in the event that the existing tenant remains in the Expansion Premises following the Expansion Commencement Date. In such case the Expansion Premises shall be delivered following the date that such existing tenant surrenders possession of the Expansion Premises to Landlord in accordance with the terms and conditions of its lease or such earlier date as such existing tenant's leasehold with respect to the Expansion Premises has been terminated and Landlord has recaptured possession of the Expansion Premises. In the event the Expansion Premises are not delivered to Tenant until after January 1, 2018, then in no event shall Tenant be liable for Base Rent or Additional Rent attributable to the Expansion Premises between January 1, 2018 and such date as the Expansion Premises are actually delivered to Tenant. Notwithstanding anything to the contrary contained herein, if the Expansion Premises is not delivered to Tenant by April 1, 2018, Tenant shall have the option, but not the obligation, to terminate the Lease by delivering written notice (the "Termination Notice") to Landlord after April 1, 2018 but prior to the date that Landlord actually delivers the Expansion Premises to Tenant, in which case the Lease shall terminate effective as of the date that is thirty (30) days following Landlord's receipt of the Termination Notice (such date being the "Early Termination Date") unless Landlord delivers possession of the Expansion Premises to Tenant within such thirty (30) day period. In the event Tenant timely delivers the Termination Notice and Landlord does not deliver the Expansion Premises to Tenant by the Early Termination Date, then Tenant shall surrender the Existing Premises to Landlord no later than the Early Termination Date and the parties shall be released from any liability arising under the Lease following the Early Termination Date other than those obligations that survive the expiration or earlier termination of the Lease.

3. Extension of Lease Term. Subject to Tenant's ability to terminate the Lease in accordance with Paragraph 2 above due to failure to timely deliver the Expansion Premises, Landlord and Tenant hereby agree to extend the Lease Term for a period of sixty (60) months, commencing on January 1, 2018 (the "Extension Commencement Date") and continuing through and expiring on December 31, 2022 (such period, the "Extension Term"), upon and subject to all of the existing terms of the Lease, as amended by this Fourth Amendment.

4. Base Rent. Tenant shall continue to pay Base Rent in accordance with the existing terms and provisions of the Lease applicable thereto through the Current Expiration Date. Commencing on the Extension Commencement Date and continuing thereafter through the remainder of the Extension Term, the Base Rent payable by Tenant under the Lease shall be as follows:

Period	Rate/Rsf/Annum	Monthly Installments
01/01/2018 – 12/31/2018	$ 73.00	$ 103,368.00*
01/01/2019 – 12/31/2019	$ 75.19	$ 106,469.04
01/01/2020 – 12/31/2020	$ 77.45 (approx.)	$ 109,663.11
01/01/2021 – 12/31/2021	$ 79.77 (approx.)	$ 112,953.00
01/01/2022 – 12/31/2022	$ 82.16 (approx.)	$ 116,341.59

* In the event the Expansion Premises are not delivered to Tenant as of January 1, 2018, then the monthly installments of Base Rent payable by Tenant for time period from January 1, 2018 until the day that the Expansion Premises are delivered to Tenant shall be equal to $78,438.50 (which is equal to $73.00 per rentable square foot in the Existing Premises based on the new measurement). In such case, from and after the date that the Expansion Premises are delivered to Tenant the Base Rent schedule set forth above shall then be applicable.

5. Tenant's Share of Direct Expenses; Base Year.

(a) Existing Premises. Tenant shall continue to pay Tenant's Share of Direct Expenses with respect to the Existing Premises through the expiration of the Extension Term in accordance with the terms and conditions of the Lease; provided, however, as of the Extension Commencement Date, Tenant's Share with respect to the Existing Premises shall take into account the new measurements for the Existing Premises and the Building and as a result such Tenant's Share shall be 22.43% (12,894 rsf / 57,482 rsf). For the avoidance of doubt, the Base Year for the Existing Premises shall remain as the calendar year 2014 throughout the Extension Term for purposes of determining Tenant's Share of Direct Expenses for the Existing Premises.

(b) Expansion Premises. Commencing on the later to occur of the Expansion Commencement Date or such later date as the Expansion Premises are actually delivered to Tenant and continuing thereafter through the remainder of the Extension Term, Tenant shall also pay Tenant's Share of Direct Expenses allocable to the Expansion Premises and for purposes of calculating such amounts: (i) the Base Year attributable to the Expansion Premises shall be the calendar year 2018 and (ii) Tenant's Share with respect to the Expansion Premises shall be 7.13% (4,098 rsf / 57,482 rsf).

6. Utilities/Janitorial/Refuse Reimbursement. Tenant shall continue to be responsible for all costs relating to Tenant's utilities and janitorial services required in connection with the Common Areas of the Building and the entire Premises (i.e., being the Existing Premises and, from and after the date that the Expansion Premises are delivered, the Expansion Premises) pursuant to Section 4.3.3 of the Original Lease. Notwithstanding anything in the Lease (as herein amended) to the contrary, the Utilities/Janitorial/Refuse Reimbursement amount payable by Tenant in connection with Landlord's estimate of Tenant's obligation to reimburse utilities, Common Area janitorial and refuse shall equal

$4.72 per rentable square foot of the Premises per year, or such other reasonable estimate as Landlord shall designate from time to time (but not more than twice in any calendar year).

7. Condition of the Premises. Notwithstanding anything herein or in the Lease to the contrary, Tenant is currently in possession of, and Landlord leases to Tenant, the Existing Premises in its "AS-IS", "WHERE-IS" and "WITH ALL FAULTS" condition, and Landlord shall have no obligation to make any improvements or refurbishments thereto throughout the Lease Term, as herein extended and Tenant shall lease the Expansion Premises from Landlord and Tenant shall accept such Expansion Premises from Landlord vacant and broom-clean, and otherwise in its "AS-IS", "WHERE-IS" and "WITH ALL FAULTS" condition, and Landlord shall have no obligation to make any improvements or refurbishments thereto throughout the Lease Term; provided, however, Landlord agrees to provide to Tenant an allowance of up to $169,920.00 (which is equal to $10.00 per rentable square foot in the Existing Premises and Expansion Premises) (the "Landlord's Construction Allowance") to be used in connection with the improvements to be constructed to the Premises in accordance with the work letter attached hereto as Exhibit B and incorporated herein for all purposes. Other than as expressly set forth herein, Tenant acknowledges and agrees that any and all improvements or allowances required to be performed or provided by Landlord in the Lease, if any, have been performed and/or satisfied.

8. Transfer Premium. Section 14.3 of the Original Lease is hereby deleted in its entirety and of no further force or effect.

9. Security Deposit. Landlord and Tenant hereby agree that the Security Deposit (as set forth in Section 8 of the Summary of Basic Lease Provisions and Section 21.2 of the Original Lease, as amended by Paragraph 11 of the Second Amendment) is hereby amended and increased to be $172,980.50. Tenant has heretofore delivered to Landlord the sum of $113,640.00 (the "Existing Security Deposit"), and Tenant shall, concurrently with the execution of this Fourth Amendment, deliver to Landlord an additional amount of $59,340.50 (the "Additional Security Deposit"), which Additional Security Deposit shall be added to the Existing Security Deposit for a total of $172,980.50, in the aggregate, of Security Deposit under the Lease.

10. No Preferential Rights. Notwithstanding anything contained in the Lease to the contrary, Landlord and Tenant stipulate and agree that Tenant has no preferential rights or options under the Lease, as herein amended, such as any rights of renewal, expansion, reduction, refusal, offer, purchase, termination, relocation or any other such preferential rights or options, such rights originally set forth in the Lease, including, without limitation, Section 10 of the Second Amendment and Section 2.3 of the Original Lease, being hereby null and void in their entirety and of no further force or effect.

11. CASp and Accessibility Disclosure. As of the date of this Fourth Amendment, neither the Building nor the Premises has undergone inspection by a Certified Access Specialist (CASp). A CASp can inspect the Premises and determine whether the Premises comply with all of the applicable construction-related accessibility standards under state law.

Although state law does not require a CASp inspection of the Premises, Landlord may not prohibit Tenant from obtaining a CASp inspection of the Premises for the occupancy Tenant, if requested by Tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Premises. Except as otherwise expressly agreed upon in writing by Landlord, Landlord has no obligation for the payment of the CASp fee or the cost of making repairs pursuant thereto, nor shall Landlord have any liability to Tenant arising out of or related to the fact that neither the Premises nor the Building has been inspected by a CASp, and Tenant waives all such liability and acknowledges that Tenant shall have no recourse against Landlord or the Building as a result of or in connection therewith.

12. Energy Disclosure. Tenant shall reasonably cooperate with Landlord in furnishing any information that may be required in connection with Landlord's obligations to furnish energy disclosures as may be required under applicable law, including, without limitation, providing any information that may be required in order to enroll in the US Environmental Protection Agency's Energy Star Portfolio Manager.

13. Cannabis. Tenant agrees that the Premises shall not be used for the use, growing, producing, processing, storing (short or long term), distributing, transporting, or selling of cannabis, cannabis derivatives, or any cannabis containing substances ("Cannabis"), or any office uses related to the same, nor shall Tenant permit, allow or suffer, any of Tenant's officers, employees, agents, servants, licensees, subtenants, concessionaires, contractors and invitees to bring onto the Premises, any Cannabis. Without limiting the foregoing, the prohibitions in this paragraph shall apply to all Cannabis, whether such Cannabis is legal for any purpose whatsoever under state or federal law or both. Notwithstanding anything to the contrary, any failure by Tenant to comply with each of the terms, covenants, conditions and provisions of this paragraph shall automatically and without the requirement of any notice be a default that is not subject to cure, and Tenant agrees that upon the occurrence of any such Default, Landlord may elect, in its sole discretion, to exercise all of its rights and remedies under this Lease, at law or in equity with respect to such default.

14. Broker. Tenant warrants that it has had no dealings with any broker or agent other than Colliers International, representing Landlord, and HelloOffice, Inc., representing Tenant (collectively, the "Broker") in connection with the negotiation or execution of this Fourth Amendment, and Tenant agrees to indemnify Landlord and hold Landlord harmless from and against any and all costs, expenses or liability for commissions or other compensations or charges claimed by any broker or agent who claims to have had such dealings with Tenant, other than the Broker, with respect to this Fourth Amendment.

15. Landlord's Address for Notices and Rent. Landlord's address for all notices to be delivered to Landlord under the Lease is hereby amended to be as follows (or such other address as Landlord may designate in writing):

Property Management Office:

TRPF 539 Bryant Street LP
c/o CBRE
475 Brannan Street, Suite 124
San Francisco, California 94107
Attn: Senior Real Estate Manager

With a copy to:

TH Real Estate
560 Mission Street, 10th Floor
San Francisco, CA 94105
Attn: Asset Management

All payments of Rent due under the Lease shall be sent to Landlord at the Property Management Office set forth above, or such address designated by Landlord in writing.

16. Miscellaneous. With the exception of those terms and conditions specifically modified and amended herein, the herein referenced Lease shall remain in full force and effect in accordance with all its terms and conditions. In the event of any conflict between the terms and provisions of this Fourth Amendment and the terms and provisions of the Lease, the terms and provisions of this Fourth Amendment shall supersede and control.

17. Counterparts. This Fourth Amendment may be executed in any number of counterparts, each of which shall be deemed an original, and all of such counterparts shall constitute one agreement. To facilitate execution of this Fourth Amendment, the parties may execute and exchange electronic transmission (e-mail) or facsimile counterparts of the signature pages and such e-mail or facsimile counterparts shall serve as originals.

[Signatures Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Fourth Amendment to Office Lease as of the dates set forth below, to be effective for all purposes, however, as of the Effective Date.

LANDLORD:

TRPF 539 BRYANT STREET LP,
a Delaware limited partnership

By: TIAA-CREF Real Property Fund GP LLC,
a Delaware limited liability company, its General Partner

By: TIAA-CREF Alternatives Advisors, LLC, a Delaware limited liability company, as Manager

By: /s/ Nicholas DiLeone
Name: Nicholas DiLeone
Title: Senior Director
Date: 8/7/2017

TENANT:

LIFE360, INC.,
a Delaware corporation

By: /s/ Alex Haro
Name: Alex Haro
Title: President
Date: 8/3/17

STANDARD MULTI-TENANT OFFICE LEASE – GROSS
AIR COMMERCIAL REAL ESTATE ASSOCIATION

1. **Basic Provisions ("Basic Provisions")**.

1.1 **Parties**: This Lease ("**Lease**"), dated for reference purposes only April 24, 2015 is made by and between Rancho Summit LLC, a CA limited liability company ("**Lessor**") and Pathsense, Inc. ("**Lessee**"),(collectively the "**Parties**", or individually a "**Party**").

1.2(a) **Premises**: That certain portion of the Project (as defined below), known as Suite Numbers(s) 205, 2nd floor(s), consisting of approximately 1,656 rentable square feet and approximately - useable square feet ("**Premises**"). The Premises are located at: 1953 San Elijo Ave., in the City of Cardiff by the Sea, County of San Diego, State of California, with zip code 92007. In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to the Common Areas (as defined in Paragraph 2.7 below) as hereinafter specified, but shall not have any rights to the roof, the exterior walls, the area above the dropped ceilings, or the utility raceways of the building containing the Premises ("**Building**") or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "**Project**." The Project consists of approximately 13,249 rentable square feet. (See also Paragraph 2)

1.2(b) **Parking**: 4/1,000 SF unreserved and zero (0) reserved vehicle parking spaces at a monthly cost of $0.00 per unreserved space and $0.00 per reserved space. (See Paragraph 2.6)

1.3 **Term**: two (2) years and zero (0) months ("**Original Term**") commencing May 1, 2015 ("**Commencement Date**") and ending April 30, 2017 ("**Expiration Date**"). (See also Paragraph 3)

~~1.4 **Early possession**: if the Premises are available Lessee may have non-exclusive possession of the Premises commencing ("**Early Possession Date**"). (See also Paragraphs 3.2 and 3.3)~~

1.5 **Base Rent**: $6,624.00 per month ("**Base Rent**"), payable on the first day of each month commencing May 1, 2015. (See also Paragraph 4).

/i/ BS _/i/ PT

☑ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph 51

1.6 **Lessee's Share of Operating Expense Increase**: twelve and 50/100 percent (12.5%) ("**Lessee's Share**"). In the event that that size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to reflect such modification.

1.7 **Base Rent and Other Monies Paid Upon Execution:**

(a) **BaseRent**: $6,624.00 for the period 5/1/15 – 5/31/15.

(b) **SecurityDeposit**: $6,822.72 ("**Security Deposit**"). (See also Paragraph 5)

(c) **Parking**: $0.00 for the period_____.

(d) **Other**: $0.00 for_____.

(e) **TotalDue Upon Execution of this Lease**: $13,446.72.

1.8 **Agreed Use:** general office and administration, and any other use permitted under all applicable laws and zoning and approved by Lessor _____. (See also Paragraph 6)

1.9 **Base Year; Insuring Party**. The Base Year is 2015. Lessor is the "**Insuring Party**". (See also Paragraphs 4.2 and 8)

1.10 **Real Estate Brokers**: (See also Paragraph 15 and 25)

(a) **Representation**: The following real estate brokers (the "**Brokers**") and brokerage relationships exist in this transaction (check applicable boxes):

☑ DTZ – Curry/Campbell_____ represents Lessor exclusively ("**Lessor's Broker**");

☐ _____ represents Lessee exclusively ("**Lessee's Broker**"); or

☐ _____ represents both Lessor and Lessee ("**Dual Agency**").

(b) **Payment to Brokers**: Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers for the brokerage services rendered by the Brokers the fee agreed to ~~in the attached~~ a separate written agreement ~~or if no such agreement is attached, the sum of _____ or _____% of the total Base Rent payable for the Original Term, the sum of _____ or _____ of the total Base Rent payable during any period of time that the Lessee occupies the Premises subsequent to the Original Term, and/or the sum of _____ or _____% of the purchase price in the event that the Lessee or anyone affiliated with the Lessee acquires from Lessor any rights to the Premises.~~

~~1.11 **Guarantor. The obligations of the Lessee under this Lease shall be guaranteed by** _____ **("Guarantor")**. (See also Paragraph 37)~~

/i/ BS_____ _/i/ PT_____

1.12 **Business Hours for the Building**: 8:00 a.m. to 6:00 p.m., Mondays through Fridays (except Building Holidays) and n/a a.m. to n/a p.m. on Saturdays (except Building Holidays). "**Building Holidays**" shall mean the dates of observation of New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and day after Thanksgiving.

1.13 **Lessor Supplied Services**. Notwithstanding the provisions of Paragraph 11.1, Lessor is NOT obligated to provide the following within the Premises:

☑ Janitorial services

☑ Electricity

☐ Other (specify): _____

1.14 **Attachments**. Attached hereto are the following, all of which constitute a part of this Lease. Lease is subject to any and all additional terms, conditions and provisions as outlined in that certain Addendum to Standard Office Lease Gross dated April 24, 2015 as attached hereto and made a part hereof, as well as those certain Rules and Regulations for Commercial Office Lease dated April 24, 2015 as attached hereto and made a part hereof:

☑ an Addendum consisting of Paragraphs 51. through 63.

☐ a plot plan depicting the Premises;

☑ a current set of the Rules and Regulations;

☐ a Work Letter;

☐ a janitorial schedule;

☑ other(specify): Option to Extend (Paragraph 50) _____

2. **Premises**.

2.1 **Letting**. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **Note: Lessee is advised to verify the actual size prior to executing this Lease**.

2.2 **Condition**. Lessor shall deliver the Premises to Lessee in a clean condition on the Commencement Date or the Early Possession Date, whichever first occurs ("**Start Date**"), and warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("**HVAC**"), and all other items which the Lessor is obligated to construct pursuant to the Work Letter attached hereto, if any, other than those constructed by Lessee, shall be in good operating condition on said date,

/i/ BS_____ _/i/ PT_____

that the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects, and that the Premises do not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law.

2.3 **Compliance**. Lessor warrants to the best of its knowledge that the improvements comprising the Premises and the Common Areas comply with the building codes that were in effect at the time that each such improvement, or portion thereof, was constructed, and also with all applicable laws, covenants or restrictions of record, regulations, and ordinances ("**Applicable Requirements**") in effect on the Start Date. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 49), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the zoning and other Applicable Requirements are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed**. If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Premises, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Premises ("**Capital Expenditure**"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay Interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with Interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

/i/ BS_____ _/i/ PT_____

_____ _____

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to nonvoluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not have any right to terminate this Lease.

2.4 **Acknowledgements**. Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) Lessee has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 **Lessee as Prior Owner/Occupant**. The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date, Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

2.6 **Vehicle Parking**. So long as Lessee is not in default, and subject to the Rules and Regulations attached hereto, and as established by Lessor from time to time, Lessee shall be entitled to rent and use the number of parking spaces specified in Paragraph 1.2(b) at the rental rate applicable from time to time for monthly parking as set by Lessor and/or its licensee.

(a) If Lessee commits, permits or allows any of the prohibited activities described in the Lease or the rules then in effect, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

(b) The monthly rent per parking space specified in Paragraph 1.2(b) is subject to change upon 30 days prior written notice to Lessee. The rent for the parking is payable one month in advance prior to the first day of each calendar month.

2.7 **Common Areas – Definition**. The term "**Common Areas**" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways and installations within the Premises that are provided and designated by the Lessor from time to time for the general nonexclusive use of Lessor, Lessee and other tenants of the Project and their

respective employees, suppliers, shippers, customers, contractors and invitees, including, but not limited to, common entrances, lobbies, corridors, stairwells, public restrooms, elevators, parking areas, loading and unloading areas, trash areas, roadways, walkways, driveways and landscaped areas.

2.8 **Common Areas – Lessee's Rights**. Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the nonexclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.9 **Common Areas – Rules and Regulations**. Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to adopt, modify, amend and enforce reasonable rules and regulations ("**Rules and Regulations**") for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. The Lessee agrees to abide by and conform to all such Rules and Regulations, and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the noncompliance with said Rules and Regulations by other tenants of the Project.

2.10 **Common Areas – Changes**. Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of the lobbies, windows, stairways, air shafts, elevators, escalators, restrooms, driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

(c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;

(d) To add additional buildings and improvements to the Common Areas;

(e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and

(f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

3. **Term**.

3.1 **Term**. The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 **Early Possession**. Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of the Operating Expense Increase) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 **Delay In Possession**. Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 **Lessee Compliance**. Lessor shall not be required to deliver possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. **Rent**.

4.1 **Rent Defined**. All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("**Rent**").

4.2 **Operating Expense Increase**. Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share of the amount by which all Operating Expenses for each Comparison Year exceeds the amount of all Operating Expenses for the Base Year, such excess being hereinafter referred to as the "**Operating Expense Increase**", in accordance with the following provisions:

(a) "**Base Year**" is as specified in Paragraph 1.9.

(b) "**Comparison Year**" is defined as each calendar year during the term of this Lease subsequent to the Base Year; provided, however, Lessee shall have no obligation to pay a share of the Operating Expense Increase applicable to the first 12 months of the Lease Term (other than such as are mandated by a governmental authority, as to which government mandated expenses Lessee shall pay Lessee's Share, notwithstanding they occur during the first twelve (12) months). Lessee's Share of the Operating Expense Increase for the first and last Comparison Years of the Lease Term shall be prorated according to that portion of such Comparison Year as to which Lessee is responsible for a share of such increase.

(c) The following costs relating to the ownership and operation of the Project, calculated as if the Project was at least 95% occupied, are defined as "**Operating Expenses**":

(i) Costs relating to the operation, repair, and maintenance in neat, clean, safe, good order and condition, but not the replacement (see subparagraph (g)), of the following:

(aa) The Common Areas, including their surfaces, coverings, decorative items, carpets, drapes and window coverings, and including parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, stairways, parkways, driveways, landscaped areas, striping, bumpers, irrigation systems, Common Area lighting facilities, building exteriors and roofs, fences and gates;

(bb) All heating, air conditioning, plumbing, electrical systems, life safety equipment, communication systems and other equipment used in common by, or for the benefit of, tenants or occupants of the Project, including elevators and escalators, tenant directories, fire detection systems including sprinkler system maintenance and repair.

(cc) All other areas and improvements that are within the exterior boundaries of the Project but outside of the Premises and/or any other space occupied by a tenant.

(ii) The cost of trash disposal, janitorial and security services, pest control services, and the costs of any environmental inspections;

(iii) The cost of any other service to be provided by Lessor that is elsewhere in this Lease stated to be an "**Operating Expense**";

(iv) The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 and any deductible portion of an insured loss concerning the Building or the Common Areas;

(v) The amount of the Real Property Taxes payable by Lessor pursuant to paragraph 10;

(vi) The cost of water, sewer, gas, electricity, and other publicly mandated services not separately metered;

(vii) Labor, salaries, and applicable fringe benefits and costs, materials, supplies and tools, used in maintaining and/or cleaning the Project and accounting and management fees attributable to the operation of the Project;

(viii) The cost of any capital improvement to the Building or the Project not covered under the provisions of Paragraph 2.3 provided; however, that Lessor shall allocate the cost of any such capital improvement over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144th of the cost of such Capital Expenditure in any given month;

(ix) The cost to replace equipment or improvements that have a useful life for accounting purposes of 5 years or less.

(x) Reserves set aside for maintenance, repair and/or replacement of Common Area improvements and equipment.

(d) Any item of Operating Expense that is specifically attributable to the Premises, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Premises, Building, or other building. However, any such item that is not specifically attributable to the Building or to any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.

(e) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(c) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Project already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(f) Lessee's Share of Operating Expense Increase is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the Operating Expense Expenses. Within 60 days after written request (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses for the preceding year. If Lessee's payments during such Year exceed Lessee's Share, Lessee shall credit the amount of such over-payment against Lessee's future payments. If Lessee's payments during such Year were less than Lessee's Share, Lessee shall pay to Lessor the amount of the deficiency within 10 days after delivery by Lessor to Lessee of said statement. Lessor and Lessee shall forthwith adjust between them by cash payment any balance determined to exist with respect to that portion of the last Comparison Year for which Lessee is responsible as to Operating Expense Increases, notwithstanding that the Lease term may have terminated before the end of such Comparison Year.

/i/ BS_____ _/i/ PT_____

(g) Operating Expenses shall not include the costs of replacement for equipment or capital components such as the roof, foundations, exterior walls or a Common Area capital improvement, such as the parking lot paving, elevators, fences that have a useful life for accounting purposes of 5 years or more.

(h) Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or by insurance proceeds.

4.3 **Payment**. Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States on or before the day on which it is due, without offset or deduction (except as specifically permitted in this Lease). All monetary amounts shall be rounded to the nearest whole dollar. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of $25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent and Common Area Operating Expenses, and any remaining amount to any other outstanding charges or costs.

5. **Security Deposit**. Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease.

/i/ BS_____ _/i/ PT_____

6. **Use**.

6.1 **Use**. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements of the Building, will not adversely affect the mechanical, electrical, HVAC, and other systems of the Building, and/or will not affect the exterior appearance of the Building. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 **Hazardous Substances**.

(a) **Reportable Uses Require Consent**. The term "**Hazardous Substance**" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, byproducts or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "**Reportable Use**" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use such as ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

/i/ BS_____ _/i/ PT_____

(b) **Duty to Inform Lessor**. If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) **Lessee Remediation**. Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) **Lessee Indemnification**. Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside of the Project not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

(e) **Lessor Indemnification**. Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which result from Hazardous Substances which existed on the Premises prior to Lessee's occupancy or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) **Investigations and Remediations**. Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee's occupancy, unless such remediation measure is required as a result of Lessee's use (including "**Alterations**", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) **Lessor Termination Option**. If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or $100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or $100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 **Lessee's Compliance with Applicable Requirements**. Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises.

6.4 **Inspection; Compliance**. Lessor and Lessor's "**Lender**" (as defined in Paragraph 30) and consultants shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times, after reasonable notice, for the purpose of inspecting the condition of the Premises and for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see paragraph 9.1e) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (MSDS) to Lessor within 10 days of the receipt of written request therefor.

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7. **Maintenance; Repairs; Utility Installations; Trade Fixtures and Alterations**.

7.1 **Lessee's Obligations**. Notwithstanding Lessor's obligation to keep the Premises in good condition and repair, Lessee shall be responsible for payment of the cost thereof to Lessor as additional rent for that portion of the cost of any maintenance and repair of the Premises, or any equipment (wherever located) that serves only Lessee or the Premises, to the extent such cost is attributable to abuse or misuse. In addition, Lessee rather than the Lessor shall be responsible for the cost of painting, repairing or replacing wall coverings, and to repair or replace any similar improvements within the Premises. Lessor may, at its option, upon reasonable notice, elect to have Lessee perform any particular such maintenance or repairs the cost of which is otherwise Lessee's responsibility hereunder.

7.2 **Lessor's Obligations**. Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, fire alarm and/or smoke detection systems, fire hydrants, and the Common Areas. Lessee expressly waives the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the terms of this Lease.

7.3 **Utility Installations; Trade Fixtures; Alterations**.

(a) **Definitions**. The term "**Utility Installations**" refers to all floor and window coverings, air lines, vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, and plumbing in or on the Premises. The term "**Trade Fixtures**" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "**Alterations**" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "**Lessee Owned Alterations and/or Utility Installations**" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent**. Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof, ceilings, floors or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, and the cumulative cost thereof during this Lease as extended does not exceed $2000. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Liens; Bonds**. Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 **Ownership; Removal; Surrender; and Restoration**.

(a) **Ownership**. Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal**. By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration**. Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing, if this Lease is for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also completely remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Premises) even if such removal would require Lessee to perform or pay for work that exceeds statutory requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

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8. **Insurance; Indemnity**.

8.1 **Insurance Premiums**. The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 are included as Operating Expenses (see paragraph 4.2 (c)(iv)). Said costs shall include increases in the premiums resulting from additional coverage related to requirements of the holder of a mortgage or deed of trust covering the Premises, Building and/or Project, increased valuation of the Premises, Building and/or Project, and/or a general premium rate increase. Said costs shall not, however, include any premium increases resulting from the nature of the occupancy of any other tenant of the Building. If the Project was not insured for the entirety of the Base Year, then the base premium shall be the lowest annual premium reasonably obtainable for the required insurance as of the Start Date, assuming the most nominal use possible of the Building and/or Project. In no event, however, shall Lessee be responsible for any portion of the premium cost attributable to liability insurance coverage in excess of $2,000,000 procured under Paragraph 8.2(b).

8.2 **Liability Insurance**.

(a) **Carried by Lessee**. Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than $1,000,000 per occurrence with an annual aggregate of not less than $2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement and coverage shall also be extended to include damage caused by heat, smoke or fumes from a hostile fire. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor**. Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 **Property Insurance – Building, Improvements and Rental Value**.

(a) **Building and Improvements**. Lessor shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Building and/or Project. The amount of such insurance shall be equal to the full insurable replacement cost of the Building and/or Project, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and

Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed $5,000 per occurrence.

(b) **Rental Value**. Lessor shall also obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("**Rental Value insurance**"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period.

(c) **Adjacent Premises**. Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas or other buildings in the Project if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

(d) **Lessee's Improvements**. Since Lessor is the Insuring Party, Lessor shall not be required to insure Lessee Owned Alterations and Utility Installations unless the item in question has become the property of Lessor under the terms of this Lease.

8.4 **Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance**.

(a) **Property Damage**. Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed $1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.

(b) **Worker's Compensation Insurance**. Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a 'Waiver of Subrogation' endorsement. Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.

(c) **Business Interruption**. Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(d) **No Representation of Adequate Coverage**. Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 **Insurance Policies**. Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 10 days prior written notice to Lessor. Lessee shall, at least 30 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 **Waiver of Subrogation**. Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 **Indemnity**. Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 **Exemption of Lessor and its Agents from Liability**. Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

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8.9 **Failure to Provide Insurance**. Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or $100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

9. **Damage or Destruction**.

9.1 **Definitions**.

(a) "**Premises Partial Damage**" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 3 months or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) "**Premises Total Destruction**" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 3 months or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) "**Insured Loss**" shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) "**Replacement Cost**" shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) "**Hazardous Substance Condition**" shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires restoration.

9.2 **Partial Damage – Insured Loss**. If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is $5,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 **Partial Damage – Uninsured Loss**. If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 **Total Destruction**. Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 **Damage Near End of Term**. If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by

giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 **Abatement of Rent; Lessee's Remedies**.

(a) **Abatement**. In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies**. If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "**Commence**" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 **Termination; Advance Payments**. Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. **Real Property Taxes**.

10.1 **Definitions**. As used herein, the term "**Real Property Taxes**" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project address and where the proceeds so

generated are to be applied by the city, county or other local taxing authority of a jurisdiction within which the Project is located. "**Real Prop Taxes**" shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Project, (ii) a change in the improvements thereon, and/or (iii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

10.2 **Payment of Taxes**. Except as otherwise provided in Paragraph 10.3, Lessor shall pay the Real Property Taxes applicable to the Project, and said payments shall be included in the calculation of Operating Expenses in accordance with the provisions of Paragraph 4.2.

10.3 **Additional Improvements**. Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Project by other lessees or by Lessor for the exclusive enjoyment of such other lessees. Notwithstanding Paragraph 10.2 hereof, Lessee shall, however, pay to Lessor at the time Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee's request or by reason of any alterations or improvements to the Premises made by Lessor subsequent to the execution of this Lease by the Parties.

10.4 **Joint Assessment**. If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.5 **Personal Property Taxes**. Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. **Utilities and Services**.

11.1 **Services Provided by Lessor**. Lessor shall provide heating, ventilation, air conditioning, reasonable amounts of electricity for normal lighting and office machines, water for reasonable and normal drinking and lavatory use in connection with an office, and replacement light bulbs and/or fluorescent tubes and ballasts for standard overhead fixtures. Lessor shall also provide janitorial services to the Premises and Common Areas 5 times per week, excluding Building Holidays, or pursuant to the attached janitorial schedule, if any. Lessor shall not, however, be required to provide janitorial services to kitchens or storage areas included within the Premises.

11.2 **Services Exclusive to Lessee**. Lessee shall pay for all water, gas, light, power, telephone and other utilities and services specially or exclusively supplied and/or metered exclusively to the Premises or to Lessee, together with any taxes thereon. If a service is deleted by Paragraph 1.13 and such service is not separately metered to the Premises, Lessee shall pay at Lessor's option, either Lessee's Share or a reasonable proportion to be determined by Lessor of all charges for such jointly metered service.

11.3 **Hours of Service**. Said services and utilities shall be provided during times set forth in Paragraph 1.12. Utilities and services required at other times shall be subject to advance request and reimbursement by Lessee to Lessor of the cost thereof.

11.4 **Excess Usage by Lessee**. Lessee shall not make connection to the utilities except by or through existing outlets and shall not install or use machinery or equipment in or about the Premises that uses excess water, lighting or power, or suffer or permit any act that causes extra burden upon the utilities or services, including but not limited to security and trash services, over standard office usage for the Project. Lessor shall require Lessee to reimburse Lessor for any excess expenses or costs that may arise out of a breach of this subparagraph by Lessee. Lessor may, in its sole discretion, install at Lessee's expense supplemental equipment and/or separate metering applicable to Lessee's excess usage or loading.

11.5 **Interruptions**. There shall be no abatement of rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

12. **Assignment and Subletting**. See Paragraph 53.

12.1 **Lessor's Consent Required**.

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "**assign or assignment**") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buyout or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "**Net Worth of Lessee**" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(ec), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable

Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, i e. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

12.2 **Terms and Conditions Applicable to Assignment and Subletting**.

(a) Regardless of Lessor's consent, no assignment or subletting shall: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefore to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of $500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof,

be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 **Additional Terms and Conditions Applicable to Subletting**. The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. **Default; Breach; Remedies**.

13.1 **Default; Breach**. A "**Default**" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "**Breach**" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 41, (viii) material data safety sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 2.9 hereof, other than those described in subparagraphs 13.1(a), (b) or (c), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "**debtor**" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

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(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 **Remedies**. If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable

grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 **Inducement Recapture**. Any agreement for free or abated rent or other charges, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "**Inducement Provisions**", shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 **Late Charges**. Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or $100, whichever is greater. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessors option, become due and payable quarterly in advance.

13.5 **Interest**. Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the 31st day after it was due. The interest ("**Interest**") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 **Breach by Lessor**.

(a) **Notice of Breach**. Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessors obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor**. In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to seek reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. **Condemnation**. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "**Condemnation**"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the rentable floor area of the Premises, or more than 25% of Lessee's Reserved Parking Spaces, if any, are taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. **Brokerage Fees**.

~~15.1 **Additional Commission**. In addition to the payments owed pursuant to Paragraph 1.10 above, and unless Lessor and the Brokers otherwise agree in writing, Lessor agrees that: (a) If Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises or other premises owned by Lessor and located within the Project, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Leas, or (d) if~~

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~~Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the fee schedule of the Brokers in effect at the time the Lease was executed.~~

15.2 **Assumption of Obligations**. Any buyer or transferee of Lessors interest in this Lease shall be deemed to have assumed Lessors obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.10, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue Interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.

15.3 **Representations and Indemnities of Broker Relationships**. Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder (other than the Brokers, if any) in connection with this Lease, and that no one other than said named Brokers is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. **Estoppel Certificates**.

(a) Each Party (as "**Responding Party**") shall within 10 days after written notice from the other Party (the "**Requesting Party**") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "**Estoppel Certificate**" form published by the AIRCommercial Real Estate Association, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate. In addition, Lessee acknowledges that any failure on its part to provide such an Estoppel Certificate will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to execute and/or deliver a requested Estoppel Certificate in a timely fashion the monthly Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or $100, whichever is greater for remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to provide the Estoppel Certificate. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to provide the Estoppel Certificate nor prevent the exercise of any of the other rights and remedies granted hereunder.

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(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. **Definition of Lessor**. The term "**Lessor**" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessors title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. **Severability**. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. **Days**. Unless otherwise specifically indicated to the contrary, the word "**days**" as used in this Lease shall mean and refer to calendar days.

20. **Limitation on Liability**. The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor or its partners, members, directors, officers or shareholders, and Lessee shall look to the Project, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessors partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. **Time of Essence**. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. **No Prior or Other Agreements; Broker Disclaimer**. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

23. **Notices**.

23.1 **Notice Requirements**. All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission,

and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 **Date of Notice**. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices transmitted by facsimile transmission or similar means shall be deemed delivered upon telephone confirmation of receipt (confirmation report from fax machine is sufficient), provided a copy is also delivered via delivery or mail. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. **Waivers**.

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of moneys or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

25. **Disclosures Regarding The Nature of a Real Estate Agency Relationship**.

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) Lessor's Agent. A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: To the Lessor: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with

the Lessor. To the Lessee and the Lessor: a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) Lessee's Agent. An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. To the Lessee: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. To the Lessee and the Lessor: a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) Agent Representing Both Lessor and Lessee. A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lesser or the Lessee. b. Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not without the express permission of the respective Party, disclose to the other Party that the Lessor will accept rent in an amount less than that indicated in the listing or that the Lessee is willing to pay a higher rent than that offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

26. **No Right To Holdover**. Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to 150% of the Base Rent applicable immediately preceding the expiration or termination. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

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INITIALS

INITIALS

27. **Cumulative Remedies**. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. **Covenants and Conditions; Construction of Agreement**. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. **Binding Effect; Choice of Law**. This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

30. **Subordination; Attornment; Non-Disturbance**.

30.1 **Subordination**. This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "**Security Device**"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "**Lender**") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 **Attornment**. In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Devise to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

30.3 **Non-Disturbance**. With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "**Non-Disturbance Agreement**") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any

options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 **Self-Executing**. The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. **Attorneys' Fees**. If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "**Prevailing Party**" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach ($200 is a reasonable minimum per occurrence for such services and consultation).

32. **Lessor's Access; Showing Premises; Repairs**. Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect on Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

33. **Auctions**. Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. **Signs**. Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Lessor may not place any sign on the exterior of the Building that covers any of the windows of the Premises. Except for ordinary "For Sublease" signs which may be placed only on the Premises, Lessee shall not place any sign upon the Project without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. **Termination; Merger**. Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. **Consents**. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

37. **Guarantor**.

37.1 **Execution**. The Guarantors, if any, shall each execute a guaranty in the form most recently published by the AIR Commercial Real Estate Association.

37.2 **Default**. It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.

38. **Quiet Possession**. Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. **Options**. If Lessee is granted any Option, as defined below, then the following provisions shall apply.

39.1 **Definition**. "**Option**" shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

39.2 **Options Personal To Original Lessee**. Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 **Multiple Options**. In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 **Effect of Default on Options**.

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. **Security Measures**. Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties. In the event, however, that Lessor should elect to provide security services, then the cost thereof shall be an Operating Expense.

41. **Reservations**.

(a) Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions, (iii) to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessor may also: change the name, address or title of the Building or Project upon at least 90 days prior written notice; provide and install, at Lessee's expense, Building standard graphics on the door of the Premises and such portions of the Common Areas as Lessor shall reasonably deem appropriate; grant to any lessee the exclusive right to conduct any business as long as such exclusive right does not conflict with any rights expressly given herein; and to place such signs, notices or displays as Lessor reasonably deems necessary or advisable upon the roof, exterior of the Building or the Project or on signs in the Common Areas. Lessee agrees to sign any documents reasonably requested by Lessor to

effectuate such rights. The obstruction of Lessee's view, air, or light by any structure erected in the vicinity of the Building, whether by Lessor or third parties, shall in no way affect this Lease or impose any liability upon Lessor.

(b) Lessor also reserves the right to move Lessee to other space of comparable size in the Building or Project. Lessor must provide at least 45 days prior written notice of such move, and the new space must contain improvements of comparable quality to those contained within the Premises. Lessor shall pay the reasonable out of pocket costs that Lessee incurs with regard to such relocation, including the expenses of moving and necessary stationary revision costs. In no event, however, shall Lessor be required to pay an amount in excess of two months Base Rent. Lessee may not be relocated more than once during the term of this Lease.

(c) Lessee shall not: (i) use a representation (photographic or otherwise) of the Building or Project or their name(s) in connection with Lessee's business; or (ii) suffer or permit anyone, except in emergency, to go upon the roof of the Building.

42. **Performance Under Protest**. If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

43. **Authority; Multiple Parties; Execution**

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

44. **Conflict**. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

/i/ BS_____ _/i/ PT_____

_____ _____

45. **Offer**. Preparation of this Lease by either party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

46. **Amendments**. This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable nonmonetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

47. **Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.**

48. **Arbitration of Disputes**. An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease ❑ is ☑ is not attached to this Lease.

49. **Accessibility; Americans with Disabilities Act**.

(a) The Premises: ☑ have not undergone an inspection by a Certified Access Specialist (CASp). ❑ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. ❑ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq.

(b) Since compliance with the Americans with Disabilities Act (ADA) is dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in ADA compliance, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALLY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.

/i/ BS_____ _/i/ PT_____

INITIALS INITIALS

2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING AND SIZE OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: _____
On: _____

By LESSOR:
Rancho Summit LLC
By: Torrey Pacific Corporation
Name Printed: _____
Title: Managing Member

By: /s/ Brian Staver
Name Printed: Brian Staver
Title: Authorized Agent
Address: _____
Name Printed: _____
Title: _____
Address: _____

Telephone: (____) _____
Facsimile: (____) _____
Email: _____
Email: _____
Federal ID No. _____

LESSOR'S BROKER
DTZ

Attn: Brooks Campbell/Peter Curry
Address: 1000 Aviara Parkway #100
Carlsbad CA 92011
Telephone: (760) 431-4200
Facsimile: (760) 454-3869
Email: brooks.campbell@dtz.com
Broker/Agent DRE License #: CA Lic. 01785014

Executed at: _____
On: _____

By LESSEE:
Pathsense, Inc.
By: /s/ Peter A. Tenereillo
Name Printed: Peter A. Tenereillo
Title: President & CEO

By: _____
Name Printed: _____
Title: _____
Address: _____
Name Printed: _____
Title: _____
Address: _____

Telephone: (____) _____
Facsimile: (____) _____
Email: _____
Email: _____
Federal ID No. _____

LESSEES BROKER:

Attn: _____
Address: _____

Telephone: _____
Facsimile: _____
Email: _____
Broker/Agent DRE License #: _____

/i/ BS _____ _/i/ PT _____

BCampbell/2015/1953SanElijo-Pathsense-MTOLG

OPTION(S) TO EXTEND
STANDARD LEASE ADDENDUM

Dated April 24, 2015
By and Between (Lessor) Rancho Summit LLC

By and Between (Lessee) Pathsense, Inc.

Address of Premises: 1953 San Elijo Ave. #205
Cardiff-by-the-Sea, CA 92007

Paragraph 50

A. **OPTION(S) TO EXTEND**:

Lessor hereby grants to Lessee the option to extend the term of this Lease for one one (1) additional twenty-four (24) month period(s) commencing when the prior term expires upon each and all of the following terms and conditions:

(i) In order to exercise an option to extend, Lessee must give written notice of such election to Lessor and Lessor must receive the same at least 9 but not more than 12 months prior to the date that the option period would commence, time being of the essence. If proper notification of the exercise of an option is not given and/or received, such option shall automatically expire. Options (if there are more than one) may only be exercised consecutively.

(ii) The provisions of paragraph 39, including those relating to Lessee's Default set forth in paragraph 39.4 of this Lease, are conditions of this Option.

(iii) Except for the provisions of this Lease granting an option or options to extend the term, all of the terms and conditions of this Lease except where specifically modified by this option shall apply.

(iv) This Option is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and without the intention of thereafter assigning or subletting.

(v) The monthly rent for each month of the option period shall be calculated as follows, using the method(s) indicated below: (Check Method(s) to be Used and Fill in Appropriately)

/i/ BS _____ /i/ PT _____

☐ I. **Cost of living Adjustment(s) (COLA)**

a. On (Fill in COLA Dates): _____

the Base Rent shall be adjusted by the change, if any, from the Base Month specified below, in the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for (select one): ☐ CPI W (Urban Wage Earners and Clerical Workers) or ☐ CPI U (All Urban Consumers) for (Fill in Urban Area): _____

All Items (1982-1984 = 100), herein referred to as "CPI".

b. The monthly Base Rent payable in accordance with paragraph A.I.a. of this Addendum shall be calculated as follows: the Base Rent set for in paragraph 1.5 of the attached Lease shall be multiplied by a fraction the numerator of which shall be the CPI of the calendar month 2 months prior to the month(s) specified in paragraph A.I.a. above during which the adjustment is to take effect, and the denominator of which shall be CPI of the calendar month which is 2 months prior to (select one): ☐ the first month of the term of this Lease as set forth in paragraph 1.3 ("Base Month") or ☐ (Fill in Other "Base Month"): _____

The sum so calculated shall constitute the new monthly Base Rent hereunder, but in no event, shall any such new monthly Base Rent be less than the Base Rent payable to the month immediately preceding the rent adjustment.

c. In the event the compilation and/or publication of the CPI shall be transferred to any other governmental department or bureau or agency or shall be discontinued, then the index most nearly the same as the CPI shall be used to make such calculation. In the event that the Parties cannot agree on such alternate index, then the matter shall be submitted for decision to the American Arbitration Association in accordance with the then rules of said Association and the decision of the arbitrators shall be binding upon the parties. The cost of said Arbitration shall be paid equally by the Parties.

☑ II. **Market Rental Value Adjustment(s) (MRV)**

a. On (Fill in MRV Adjustment Date(s)) May 1, 2017

the Base Rent shall be adjusted to the "Market Rental Value" of the property as follows:

1) Four months prior to each Market Rental Value Adjustment Date described above, the Parties shall attempt to agree upon what the new MRV will be on the adjustment date. If agreement cannot be reached, within thirty days, then:

(a) Lessor and Lessee shall immediately appoint a mutually acceptable appraiser or broker to establish the new MRV within the next 30 days. Any associated costs will be split equally between the Parties, or

/i/ BS _____ /i/ PT _____

(b) Both Lessor and Lessee shall each immediately make a reasonable determination of the MRV and submit such determination, in writing, to arbitration in accordance with the following provisions:

(i) Within 15 days thereafter, Lessor and Lessee shall each select an ☐ appraiser or ☒ broker ("Consultant" – check one) of their choice to act as an arbitrator. The two arbitrators so appointed shall immediately select a third mutually acceptable Consultant to act as a third arbitrator.

(ii) The 3 arbitrators shall within 30 days of the appointment of the third arbitrator reach a decision as to what the actual MRV for the Premises is, and whether Lessor's or Lessee's submitted MRV is the closest thereto. The decision of a majority of the arbitrators shall be binding on the Parties. The submitted MRV which is determined to be the closest to the actual MRV shall thereafter be used by the Parties.

(iii) If either of the Parties fails to appoint an arbitrator within the specified 15 days, the arbitrator timely appointed by one of them shall reach a decision on his or her own, and said decision shall be binding on the Parties.

(iv) The entire cost of such arbitration shall be paid by the party whose submitted MRV is not selected, i.e. the one that is NOT the closest to the actual MRV.

2) When determining MRV, the Lessor, Lessee and Consultants shall consider the terms of comparable market transactions which shall include, but no limited to, rent, rental adjustments, abated rent, lease term and financial condition of tenants.

3) Notwithstanding the foregoing, the new Base Rent shall not be less than the rent payable for the month immediately preceding the rent adjustment.

b. Upon the establishment of each New Market Rental Value:

1) the new MRV will become the new "Base Rent" for the purpose of calculating any further Adjustments, and

2) the first month of each Market Rental Value term shall become the new "Base Month" for the purpose of calculating any further Adjustments.

/i/ BS_____ _____/i/ PT_____

INITIALS PAGE 3 of 4 INITIALS

☐ ~~**III. Fixed Rental Adjustment(s) (FRA)**~~

~~The Base Rent shall be increased to the following amounts on the dates set forth below:~~

~~On (Fill in FRA Adjustment Date(s)):~~	~~The New Base Rent shall be:~~

☑ **IV. Initial Term Adjustments**.

The formula used to calculate adjustments to the Base Rate during the original Term of the Lease shall continue to be used during the extended term.

B. NOTICE:

Unless specified otherwise herein, notice of any rental adjustments, other than Fixed Rental Adjustments, shall be made as specified in paragraph 23 of the Lease.

C. BROKERS FEE:

The Brokers shall be paid a Brokerage Fee for each adjustment specified above in accordance with paragraph 15 of the Lease or if applicable, paragraph 9 of the Sublease.

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203.

Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

H://AirForms/Forms/BCampbell/2015/1953SanEligo_Pathsense_OTE

/i/ BS_____ _____/i/ PT_____

INITIALS PAGE 4 of 4 INITIALS

ADDENDUM TO STANDARD OFFICE LEASE GROSS DATED **APRIL 24, 2015** BY AND BETWEEN **RANCHO SUMMIT LLC**, **AS LESSOR**, AND **PATHSENSE, INC.**, **AS LESSEE**. IN THE EVENT OF ANY CONFLICT BETWEEN THE PROVISIONS OF THIS ADDENDUM AND THE PRINTED PROVISIONS OF THE LEASE, THIS ADDENDUM SHALL CONTROL.

51. ANNUAL INCREASES:

Lessee's base rent shall be increased three percent (3.0%) on the anniversary of the commencement date as follows:

Months 1-12	**$6,624.00**
Months 13-24	**$6,822.72**

52. TENANT IMPROVEMENTS:

Lessee shall occupy the Premises in its current "as is" condition.

53. ASSIGNMENT AND SUBLETTING:

In the event Lessee desires to assign or sublet the Premises to an approved third party, Lessor, in its sole discretion, shall have the option to either proceed with the sublease or terminate the lease with Lessee.

54. JANITORIAL SERVICE:

Lessor shall provide janitorial service for the common areas, which costs are included in the common area expenses. Lessee shall be responsible, at Lessee's sole cost, risk and expense for janitorial service in Lessee's Suite(s).

55. OPERATING EXPENSES:

Lessee shall pay its proportionate share of the Operating Expenses above a 2015 Base Year. Operating Expenses include among other items real estate taxes, common area maintenance expenses and insurance. Operating Expenses and real property taxes shall be calculated as if the Building is ninety-five percent (95%) leased and occupied.

56. NON-SMOKING BUILDING:

Building is a non-smoking building. A designated smoking area will be provided at an appropriate location at the exterior of the building.

57. ELECTRICAL SERVICE:

Lessee shall be responsible for electrical service. Lessor shall install service and maintain meter and shall bill out service to Lessee at actual cost on a monthly basis.

58. AFTER HOURS USE OF GARAGE:

Lessor shall provide instructions to Lessee for the Roll Down Access Gate for Garage to ensure proper after hours use of Garage.

59. SCHEDULE OF BUILDING HOLIDAYS:

A Schedule of building holidays shall be provided to Lessee. 2015 Holidays are as follows: President's Day; Memorial Day; Independence Day; Labor Day; Thanksgiving Day; Day after Thanksgiving; Christmas Day; and New Years Day. Access to building and parking garage on these days shall be limited to holders of key fobs, and those allowed access by Lessee.

60. LESSEE CONTACT INFORMTION:

An Emergency Contact list shall be provided to Lessee upon occupancy. Lessee shall also provide Lessor with Emergency Contact information upon occupancy.

61. KEYS:

Lessor shall issue Lessees key fobs for after-hours access per Lessee's instructions or as needed from time to time for new employees. Lost or replacement key fobs will be issued at a cost of $25.00 each.

62. SIGNAGE: Lessee, at Lessor's sole cost and expense, shall receive building standard lobby directory and suite identification signage.

63. HOURS OF OPERATION:

As a condition of our permit for 1953 San Elijo Avenue, Lessee shall be advised that Lessor is required to provide public parking from the hours of 7:00 am to 9:00 pm on weekdays and from 9:00 am to 9:00 pm on weekends. In the event these hours change, Lessor shall advise Lessee. Outside of these stated hours, and on holidays, access to the parking structure is limited to those with key fobs or who are permitted access by Lessee (or other Lessees). Lessor shall bear no responsibility for Lessees' use of such parking facility.

LESSOR: **RANCHO SUMMIT, LLC**	LESSEE: **PATHSENSE, INC.**
By: Torrey Pacific Corporation By /s/ Brian Staver	By_____
Date 4/27/15	Date_____

RULES AND REGULATIONS FOR COMMERCIAL OFFICE LEASE

Dated: April 24, 2015 by and between Rancho Summit LLC and Pathsense, Inc.

GENERAL RULES:

1. Tenant shall not suffer or permit the obstruction of any Common Areas, including driveways, walkways and stairways.
2. Landlord reserves the right to refuse access to any persons Landlord in good faith judges to be a threat to the safety and reputation of the property.
3. Tenant shall not make or permit any noise or odors that annoy or interfere with other Tenants or persons having business within the property.
4. Tenant shall not keep animals, pets or birds within the property, and shall not bring bicycles, motorcycles or other vehicles into areas not designated as authorized for same.
5. Tenant shall not make, suffer or permit litter except in appropriate receptacles for that purpose.
6. Tenant shall not alter any lock or install new or additional locks or both, without the expressed written consent of Landlord. Landlord must be provided with copies of any such new or altered locks at all times.
7. Tenant shall be responsible for the inappropriate use of any toilet rooms, plumbing, or other utilities. No foreign substances of any kind are to be inserted therein.
8. Tenant shall not deface the walls, partitions or other surfaces of the Premises or Project.
9. Tenant shall not suffer or permit anything in or around the Premises or Building that causes excess vibration of floor loading in any part of the Project.
10. Furniture, significant freight and equipment shall be moved into or out of the building only with the Landlord's knowledge and consent, and subject to reasonable limitations, techniques and timing, as may be designated by Landlord. Tenant shall be responsible for any damage to the Office Building Project arising from any such activity.
11. Tenant shall not employ any service or contractor for services or work to be performed in the Building, except as approved by Landlord.
12. Landlord reserves the right to close and lock the Building on Saturdays, Sundays and Building Holidays, and on other days between the hours of 6:00 P.M. and 7:00 A.M. of the following day. If Tenant uses the Premises during such periods, Tenant shall be responsible for securely locking any doors it may have opened for entry.
13. Tenant shall return all keys and key fobs (or security access cards or control devices) at the termination of its tenancy and shall be responsible for the cost of replacing any keys and key fobs (or security access cards or control devices) that are lost.

14. No window coverings, shades or awnings shall be installed or used by Tenant without the prior consent of Landlord.
15. No Tenant, employee or invitee shall go upon the roof of the building or access to HVAC, elevator control room, electrical or phone room or other building equipment.
16. Tenant shall not suffer or permit smoking or carrying of lighted cigars or cigarettes in areas reasonably designated by Landlord or by applicable governmental agencies as non-smoking areas. Building is non-smoking. A smoking area has been designated outside the Premises, as smoking will not be permitted inside the Tenant spaces.
17. Tenant shall not use any method of heating or air conditioning other than as provided by Landlord.
18. Tenant shall not install, maintain or operate any vending machines or device upon the Premises without the Landlord's expressed written consent.
19. The Premises shall not be used for lodging or manufacturing, cooking or food preparation.
20. Tenant shall comply with all safety, fire protection and evacuation regulations established by Landlord or any applicable governmental agency.
21. Landlord reserves the right to waive any one of these rules or regulations, and/or as to any particular Tenant, and any such waiver shall not constitute a waiver of any other rule or regulation of any subsequent application thereof to such Tenant.
22. Tenant assumes all risks from theft or vandalism and agrees to keep its Premises locked as may be required.
23. Lessor reserves the right to make such other reasonable rules and regulations as it may from time to time (or at any time) deem necessary for the appropriate operation and safety of the Project and its occupants. Tenant agrees to abide by these and such rules and regulations.

PARKING RULES

1. Parking areas shall be used only for parking by vehicles no longer than full size, passenger automobiles herein called "Permitted Size Vehicles". Vehicles other than Permitted Size Vehicles are herein referred to as "Oversized Vehicles".
2. Tenant shall not permit or allow any vehicles that belong to or are controlled by Tenant or Tenant's employees, suppliers, shippers, customers, or invitees to be loaded, unloaded or parked in areas other than those designated by Landlord for such activities.
3. Parking stickers, identification devices, or after hours access cards to garage (or key fobs) shall be the property of Landlord and shall be returned to Landlord by the holder thereof upon termination of the holder's parking privileges. Tenant shall pay such replacement charge as is reasonably established by Landlord for the loss of such devices.

4. Landlord reserves the right to refuse the sale of monthly identification devices, or after hours access cards to any person or entity that willfully refuses to comply with the applicable rules, regulations, laws and/or agreements.

5. Landlord reserves the right to relocate all or a part of parking spaces from floor to floor, within one floor, and/or to reasonably adjacent offsite location(s), and to reasonably allocate them between compact and standard size spaces or to designate some, many or all as reserved spaces, as long as the same complies with applicable laws, ordinances and regulations.

6. Users of the parking area will obey all posted signs and park only in the areas designated for vehicle parking.

7. Unless otherwise instructed, every person using the parking area is required to park and lock his own vehicle. Landlord will not be responsible for any damage to vehicles, injury to persons or loss of property, all of which risks are assumed by the party using the parking area.

8. Validation, if established, will be permissible only by such method or methods as Lessor and/or its licensee may establish at rates generally applicable to visitor parking.

9. The maintenance, washing, waxing or cleaning of vehicles in the parking structure or Common Areas is prohibited.

10. Tenant shall be responsible for seeing that all of its employees, agents, and invitees comply with the applicable parking rules, regulations, posted signs, laws and agreements.

11. Landlord reserves the right to modify these rules and/or adopt such other reasonable and non-discriminatory rules and regulations as it may deem necessary for the proper operation of the parking area.

12. Such parking use as is herein provided in intended merely as a license only and no bailment in intended or shall be created hereby.

__/i/ BS_____ __/i/ PT_____
Initials Initials

Exhibit 10.26

FIRST **AMENDMENT TO LEASE**

THIS AMENDMENT TO LEASE is made and entered into as of March 28, 2017, by and between Rancho Summit LLC ("Lessor") and Pathsense, Inc. ("Lessee").

WHEREAS, on or about April 24, 2015 a Lease was entered into by and between Lessor and Lessee relating to certain real property commonly known as: 1953 San Elijo Ave. #205, Cardiff by the Sea CA 92007 (the "Premises"), and

WHEREAS, Lessor and Lessee ☐ have ☒ have not previously amended said Lease, and

WHEREAS, the Lessor and Lessee now desire to amend said Lease,

NOW, THEREFORE, ~~for payment of TEN DOLLARS and other good and valuable consideration to Lessor, the receipt and sufficiency of which is hereby acknowledged t~~he parties mutually agree to make the following additions and modifications to the Lease:

☒ TERM: The Expiration Date is hereby ☐ advanced ☒ extended to March 31, 2019

☐ AGREED USE: The Agreed Use is hereby modified to:

☒ BASE RENT ADJUSTMENT: Monthly Base Rent shall be as follows: Suite 200: $6,800.00.Suite 205: May 1, 2017 – April 30, 2018: $7,038.00; May 1, 2018 – March 31, 2019: $7,249.00

☒ OTHER: A.) Commencing on April 1, 2017, Suite 200 (1,404 RSF) shall be added to the Premises for a total of 3,060 RSF. B.) Lessee shall have use of Crystal River Oil & Gas' storage units for the length of this extended term at no additional cost to Lessee. C.) Upon execution of this Amendment, Lessee shall deposit with Lessor an additional Security Deposit equal to $6,800.00 for Suite 200.

This Agreement shall not be construed against the party preparing it, but shall be construed as if all parties jointly prepared this Agreement and any uncertainty and ambiguity shall not be interpreted against any one party.

All other terms and conditions of this Lease shall remain unchanged and shall continue in full force and effect except as specifically amended herein.

 FORM ATL-0-7/06E

EXECUTED as of the day and year first above written.

By Lessor:	**By Lessee:**
Rancho Summit LLC	Pathsense, Inc.
By: Torrey Pacific Corporation	
lts: Managing Member	
By: /s/ Brian Staver	**By:**
Name Printed: Brian Staver	Name Printed: Peter A. Tenereillo
Title: Authorized Agent	Title: President & CEO
By:	**By:** /s/ Peter A. Tenereillo
Name Printed:	Name Printed: Peter A. Tenereillo
Title:	Title: CEO & President

Exhibit 10.27

Assignment and Assumption of Lease

This Assignment and Assumption of Lease (the "Assignment") is made and effective on December 4, 2017 ("Effective Date"), by and among Pathsense, Inc., a Delaware corporation ("Assignor"), Life360, Inc., a Delaware corporation ("Assignee") and Rancho Summit LLC, a California limited liability company ("Lessor") (collectively referred to as the "Parties"). Assignor is the "Lessee" and Lessor is the "Lessor" in the Lease dated April 24, 2015, as amended by that certain First Amendment to Lease dated March 28, 2017 (collectively, "Master Lease"), which Lease has a term ending on March 31, 2019, for the premises identified as 1953 San Elijo Avenue, #200 and #205, Cardiff by the Sea, California ("Premises").

The Parties agree to the following terms, each effective from and after the Effective Date:

For value received, the sufficiency of which is hereby acknowledged Assignor hereby assigns to Assignee all of Assignor's interests, right and title in and to the Master Lease from and after the Effective Date.

Assignee hereby accepts the Premises in its current as-is condition, and Assignor agrees that it shall deliver the Premises to Assignee on the Effective Date in broom clean condition, with all of its furniture and personal property located in the Premises ("FF&E") remaining. Assignee hereby (i) assumes all of Assignor's right, title and interest to the Master Lease, from and after the Effective Date, and (ii) agrees to comply with all the terms, make all payments, and perform all conditions and covenants of the Lessee in the Master Lease first accruing and required to be performed on or after the Effective Date. In consideration of the payment of $2,500.00, the sufficiency and receipt of which is hereby acknowledged, on the Effective Date, all right, title and interest to the FF&E shall automatically transfer to Assignee.

Pre-Assignment Alterations. Notwithstanding anything to the contrary stated in the Lease, Lessor hereby agrees that Lessor waives any requirement of Assignor or Assignee, as lessee, to remove any alterations made to the Premises to date.

Release of Assignor Novation.

(i) Notwithstanding anything to the contrary in the Master Lease, Lessor releases and forever discharges Assignor, as well as its affiliates, shareholders, officers, employees, agents and representatives, from all obligations first accruing under the Master Lease after the Effective Date, except for any obligations under the Master Lease that expressly survive its expiration or termination.

(ii) Lessor consents to and recognizes Assignee as Assignor's successor-in-interest in and to the Master Lease. Commencing on the Effective Date, Assignee by this Assignment becomes entitled to all right, title and interest of Assignor in and to the Master Lease. Following the Effective Date: (i) the term "Lessee," as used in the Master Lease, shall refer to Assignee; (ii) Lessor accepts the liability of Assignee in lieu of the liability of Assignor; and (iii) Lessor shall be bound by the terms of the Lease in every way as if Assignee were named in the Lease in place of Assignor as a party thereto.

(iii) The consent by Lessor to the within assignment and assumption of the Master Lease shall not be deemed an approval of any future assignment of the Lease or subletting of the Premises or any portion thereof. No further assignment or sublease of all or any portion of the Premises shall be made without the prior written approval of Lessor, if and when required pursuant to and in accordance with the provisions of the Lease.

(iv) Upon payment of the amounts payable by Assignee to Lessor pursuant to this Assignment, Lessor agrees and acknowledges that the Existing Default (as defined below) shall be deemed cured and fully satisfied, and Lessor waives any right to bring any claim against Assignor or Assignee with respect to any Events of Default that occurred prior to the Effective Date. With respect to the foregoing waiver, Lessor expressly waives and relinquishes any and all provisions, rights and benefits conferred by any law of any state or territory of the United States or of any other relevant jurisdiction, or principle of common law, which is similar, comparable or equivalent to Section 1542 of the California Civil Code. Lessor expressly waive and relinquish, to the fullest extent permitted by law, the provisions, rights, and benefits of Section 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

Assignor will indemnify, protect and hold Assignee, its and their affiliates, shareholders, officers, employees, agents and representatives harmless from and against any and all loss, cost or damage in any way related to Assignor's breach or default of the obligations or covenants in the Master Lease occurring prior to the Effective Date.

Assignor warrants that (i) the Master Lease is in full force and effect and fully assignable or may be assigned with consent of Lessor (such consent to be obtained by Assignor before executing this Assignment), (ii) Assignor performed all duties and obligations and made all payments required of it under the Master Lease, (iii) the contract rights under the Master Lease that Assignor transfers to Assignee are free of lien, encumbrance or adverse claim given by or resulting from the acts or omissions of Assignor through the Effective Date, (iv) the Master Lease has not been modified, amended, supplemented, or terminated other than pursuant to the First Amendment, and these documents constitute the entire Master Lease between Assignor and Lessor; (v) Assignor has not previously assigned the Master Lease or sublet the Premises or any portion thereof or entered into any agreement permitting any person or entity to use or occupy any portion of the Premises; (vi) except for the failure of Assignor to pay Base Rent payable for the months of November 2017 and December 2017 ("Existing Default"), exists no default under the Master Lease on the part of

Assignor or, to the best actual knowledge of Assignor, Lessor, nor has any event occurred which, with the giving of notice or the passage of time or both, could constitute a breach or default by Assignor or, to the best actual knowledge of Assignor, Lessor under the Master Lease; and (vii) Assignor will not make any additional alterations or improvements to the Premises prior to the Effective Date.

Lessor warrants that, to Lessor's knowledge, except for the Existing Default, Assignor is not in default in the performance of any covenant, agreement or condition contained in the Master Lease, nor is there now any fact or condition which, with the passage of time or the giving of notice or both, would constitute a default by Assignor.

As a condition precedent for this Assignment, within three (3) business days after the Assignee has received notice that the Effective Date has occurred, Assignee agrees to deposit with Lessor $13,622.72 as the security deposit, as well as two months of rent or $27,676.00, to be applied toward the payment of Base Rent due for the month of November 2017 and December 2017, in full satisfaction and cure of the Existing Default.

Upon Lessor's receipt of Assignee's security deposit and Base Rent, Lessor shall remit to Assignor the balance of the security deposit placed with Lessor pursuant to the terms of the Master Lease, less any deductions made pursuant to the Master Lease.

The terms, provisions, covenants and agreements that are contained in this Assignment shall apply to, be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

Each party to this Assignment represents and warrants to the other parties to this Assignment that it is duly authorized to enter into this Assignment and/or to execute the applicable assignment, assumption and/or consent provisions set forth herein and perform its respective obligations hereunder without the consent or approval of any other person or party, and that the person signing this Assignment on its respective behalf is duly authorized to sign on behalf of such party.

In the event that one or more of the terms, provisions or agreements that are contained in this Assignment shall be held by a Court of competent jurisdiction to be invalid, illegal or unenforceable in any respect for any reason, the invalid, illegal or unenforceable term, provision or agreement shall not affect any other term, provision or agreement that is contained in this Assignment and this Assignment shall be construed as if the invalid, illegal or unenforceable term, provision or agreement had never been contained herein, unless to do so would create a manifest injustice.

This Assignment represents the entire understanding and agreement between the Assignor, Assignee and the Lessor with respect to the subject matter hereof, and no amendment or modification of this Assignment shall be effective unless it is set forth in a writing and consent of all parties to this Assignment.

This Assignment shall be deemed to have been executed by the parties in and shall be governed by, and construed and enforced in accordance with, the laws of the State of California (excluding any conflicts-of-law rule or principle of California law that might refer the governance, construction or interpretation of this Assignment to the laws of another state).

Notices. The Notices provision of the Lease is hereby modified to provide that all notices to Assignee under the Lease and this Assignment shall be addressed to Assignee and sent to the Premises or otherwise in the manner as provided therein.

Brokerage Commissions. Assignee and Assignor represent to each other and Lessor that they have not had any dealings with any real estate brokers, leasing agents or salesmen, or incurred any obligations for the payment of real estate brokerage commissions or finders' fees which would be earned or due and payable by reason of the execution of this Assignment.

Execution in Counterparts. This Assignment may be executed in counterparts, each of which shall be an original and all of which taken together shall constitute one and the same assignment. The signatures of all of the Parties need not appear on the same counterpart, and delivery of an executed counterpart signature page by facsimile or in PDF is as effective as executing and delivering this Assignment in the presence of the other parties to this Assignment.

[Signature page to follow]

In witness whereof, the parties have caused this Assignment to be executed as of the day and year first written.

Assignor:

Pathsense, Inc., a Delaware corporation

/s/ Peter A. Tenereillo
By: Peter A. Tenereillo, CEO

Assignee:

Life360, Inc., a Delaware corporation

By: /s/ Alex Haro
Its: President

Lessor:

Rancho Summit LLC
By: Torrey Pacific Corporation

By: /s/ Brian Staver
Its: Authorized Agent

Exhibit 10.28

SECOND AMENDMENT TO
STANDARD MULTI-TENANT OFFICE LEASE – GROSS

This Second Amendment to Standard Multi-Tenant Office Lease – Gross ("**Second Amendment**") is made and entered into effective as of May 29, 2018 ("**Effective Date**"), by and between RANCHO SUMMIT LLC, a California limited liability company ("**Lessor**"), and LIFE360 INC., a Delaware corporation ("**Lessee**"), with respect to the Lease, as defined below.

RECITALS

A. WHEREAS, on or about April 24, 2015 Lessor and Lessee predecessor in interest executed a Standard Multi-Tenant Office Lease – Gross for the Premises commonly known as 1953 San Elijo Avenue, Suite 205, Cardiff By The Sea, California 92007 (the "**Original Lease**"). The terms of the Original Lease are fully incorporated herein by this reference. Lessor and Lessee predecessor in interest executed a First Amendment to Lease dated March 28, 2017 (the "**First Amendment**"). The terms of the First Amendment are fully incorporated herein by this reference. The Original Lease and the First Amendment are collectively referred to as the "**Lease**."

B. WHEREAS, the First Amendment served to add Suite 200 to be a part of the Premises and to extend the Term to March 31, 2019.

C. WHEREAS, all capitalized terms not otherwise defined in this Second Amendment have the meanings given them in the Lease

D. WHEREAS, Lessor and Lessee now desire to amend the Lease pursuant to the following terms and conditions:

NOW THEREFORE, in consideration of the foregoing facts and circumstances, the covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the parties do hereby agree as follows:

LEASE AMENDMENT

1. **Temporary Surrender of Suite 200**. As of May 31, 2018 (the "**Surrender Date**"), Lessee shall totally have vacated and shall surrender Suite 200 to Lessor. Rent for Suite 200 shall terminate on the Surrender Date. Notwithstanding the foregoing, the Lease shall remain in full force and effect as to Suite 205, and the Base Rent set forth in the First Amendment for Suite 200 shall continue as set forth in the First Amendment. Notwithstanding the foregoing, assuming Lessee is not in default of this Lease beyond any applicable grace and/or cure period or the Lease has not been terminated prior to June 1, 2019, on June 1, 2019 ("**Repossession Date**"), Suite 200 shall be returned to Lessee and be a part of the Lease as if the temporary surrender had not occurred. From and after the Repossession Date the Base Rent for Suite 200 set forth in the First Amendment shall be the same as it would have been on June 1, 2019 in the First Amendment as if there had not been the temporary surrender. All of Lessee's obligations under the Lease, including any indemnification obligations, related to Suite 200 only shall be suspended and null from the period commencing on the Surrender Date until the Repossession Date.

2. **Condition**. On the Surrender Date, Lessee shall leave Suite 200 in the condition required under the terms of the Lease as if the Lease has terminated. On the Repossession Date, exclusive possession of Suite 200 shall be delivered to Lessee in vacant, broom-clean condition with all improvements located therein and Building Systems in good working order. If Suite 200 is not in such condition on the Repossession Date, the Repossession Date, and any obligations of Lessee related thereto, shall be delayed on a day for day basis until delivery in such condition.

3. **Rent Abatement**. In exchange for the agreements of the Lessee contained in this Second Amendment, the Base Rent for the month of June, 2018, for Suite 205 shall be abated. Notwithstanding the foregoing abatement, the remaining obligations of Lessee under the Lease remain in full force and effect.

4. **Moving Expenses**. Lessee acknowledges that Lessee will received a partial reimbursement of Lessees reasonable moving expense from the Lessor. The foregoing reimbursement shall be subject to paid within 10 days of submission of an itemized statement of expenses from third parties vendors along with receipts marked paid in full to Lessor. No other payment or reimbursement shall be made to Lessee by Lessor pursuant to this Second Amendment.

5. **Garage Storage**. Lessee agrees that although Suite 200 is no longer a part of the Premises, the garage storage as set forth in the paragraph checked as "Other" shall continue to be a part of the Lease.

6. **Security Deposit**. The Security Deposit for Suite 205 paid pursuant to the Assignment and Assumption of Lease dated effective on December 4, 2017, by which Lessee took the assignment of the Lease from Lessee's predecessor in interest shall remain with Lessor. The Security Deposit for Suite 200 paid pursuant to the same shall be returned to Lessee within thirty (30) days of Lessee's vacation of Suite 200.

7. **Extension**. The current term of the Lease for Suite 205 shall be extended to June 30, 2019, from its current expiration date on the same terms and condition as they exist prior to the three month extension. After the end of the three-month extension the Lease shall become month-to-month on the same terms and conditions as they existed on the last month of the expired term of the Lease. In the event Suite 200 becomes a part of the Lease on June 1, 2019, it shall be a part of the Lease and subject to the foregoing provisions of this Section 7.

8. **No Other Modifications**. Except as expressly set forth herein the Lease remains unchanged, unmodified and continues in full force and effect.

9. **Reaffirmation**. As of the Effective Date Lessee reaffirms the Lease and acknowledges that except as specifically set forth in this Second Amendment, the Lease is unchanged, unmodified and remains in in full force and effect. Lessee further acknowledges that Lessor is not in breach of the Lease nor do any conditions exist that would lead to a breach of this Lease by Lessor in the future.

10. **Conflict**. In the event of any conflict, inconsistency or ambiguity between the terms of this Second Amendment and the Lease, the terms of this Second Amendment shall govern and control.

IN WITNESS WHEREOF, the parties have executed this Second Amendment effective as of the Effective Date.

LESSOR:

RANCHO SUMMIT LLC,
a California limited liability company

By: Torrey Pacific Corporation,
a California corporation
Its: Manager

By: /s/ Brian Staver
Name: Brian Staver
Title: Authorized Agent

LESSEE:

LIFE360, INC.,
a Delaware corporation

By: /s/ Alex Haro
Name: Alex Haro
Title: President

Exhibit 10.29

THIRD AMENDMENT TO
STANDARD MULTI-TENANT OFFICE LEASE – GROSS

This Third Amendment to Standard Multi-Tenant Office Lease – Gross ("**Third Amendment**") is made and entered into effective as of September 20, 2018 ("**Effective Date**"), by and between RANCHO SUMMIT LLC, a California limited liability company ("**Lessor**"), and LIFE360 INC., a Delaware corporation ("**Lessee**"), with respect to the Lease, as defined below.

RECITALS

A. WHEREAS, on or about April 24, 2015 Lessor and Lessee predecessor in interest executed a Standard Multi-Tenant Office Lease – Gross for the Premises commonly known as 1953 San Elijo Avenue, Suite 205, Cardiff By The Sea, California 92007 (the "**Original Lease**"). The terms of the Original Lease are fully incorporated herein by this reference. Lessor and Lessee predecessor in interest executed a First Amendment to Lease dated March 28, 2017 (the "**First Amendment**"). The terms of the First Amendment are fully incorporated herein by this reference. Lessor and Lessee executed a Second Amendment to Lease dated May 30, 2018 (the "**Second Amendment**"). The terms of the Second Amendment are fully incorporated herein by this reference. The Original Lease and the First and Second Amendments are collectively referred to as the "**Lease**."

B. WHERERAS, the First Amendment served to add Suite 200 to be a part of the Premises and to extend the Term to March 31, 2019.

C. WHERERAS, the Second Amendment served to temporarily surrender Suite 200.

D. WHEREAS, all capitalized terms not otherwise defined in this Third Amendment have the meanings given them in the Lease.

E. WHEREAS, Lessor and Lessee now desire to amend the Lease pursuant to the following terms and conditions:

NOW THEREFORE, in consideration of the foregoing facts and circumstances, the covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the parties do hereby agree as follows:

LEASE AMENDMENT

1. **Expansion**. Commencing on October 1, 2018, Suite 204 shall be added to the Premises.

2. **Surrender**. Suite 200, which was temporarily surrendered as of May 31, 2018, shall be permanently surrendered on the Effective Date of the Third Amendment.

3. **Premises**. As of October 1, 2018, the Premises shall include Suite 204 (1.033 RSF) and Suite 205 (1.656 RSF) and no outer suites in the Building.

4. **Term**. The Expiration Date is hereby extended to September 30, 2021.

5. **Base Rent Adjustment**. Monthly Base Rent shall be as follows:

- $4,909.18 for Suite 204 and $7,869.90 for Suite 205 from October 1, 2018, to September 30, 2019;
- $5,056.46 for Suite 204 and $8,105.99 for Suite 205 from October 1, 2019, to September 30, 2020:
- $5,208.15 for Suite 204 and $8,349.17 for Suite 205 from October 1, 2020, to September 30, 2021.

6. **Tenant Improvement and Rent Abatement**. The scope of work and budget for improvements is attached as Exhibit A. Lessor's allowance for improvements is capped at $24,428.81; Lessee shall be financially responsible for expenses related to any change in scope of work. Base Monthly Rent for Suite 204 shall commence once improvements in Suite 204 are substantially complete. Improvements in Suite 205 will commence once improvements in Suite 204 are substantially complete. In exchange for the agreements of the Lessee contained in this Third Amendment, the Base Rent for the month of November, 2018, for Suite 205 shall he abated in the amount of $7,249.00.

7. **Security Deposit**. The Security Deposit for Suite 205 paid pursuant to the Assignment and Assumption of Lease dated effective on December 4, 2017, by which Lessee took the assignment of the Lease from Lessee's predecessor in interest shall remain with Lessor. The Security Deposit for Suite 204 shall be $4,000.00 and paid within ten business days of this Third Amendment.

8. **No Other Modifications**. Except as expressly set forth herein the Lease remains unchanged, unmodified and continues in full force and effect.

9. **Reaffirmation**. As of the Effective Date Lessee reaffirms the Lease and acknowledges that except as specifically set forth in this Third Amendment, the Lease is unchanged, unmodified and remains in in full force and effect. Lessee further acknowledges that Lessor is not in breach of the Lease nor do any conditions exist that would lead to a breach of this Lease by Lessor in the future.

10. **Conflict**. In the event of any conflict, inconsistency or ambiguity between the terms of this Third Amendment and the Lease, the terms of this Third Amendment shall govern and control.

IN WITNESS WHEREOF, the parties have executed this Third Amendment effective as of Effective Date.

LESSOR:

RANCHO SUMMIT LLC,
a California limited liability company

By: Torrey Pacific Corporation
a California corporation
Its: Manager

By: /s/ Brian Staver
Name: Brian Staver
Title: Authorized Agent

LESSEE:

LIFE360 INC.,
a Delaware corporation

By: /s/ Monica Walls
Name: Monica Walls
Title: Head of People

Exhibit 10.30

FOURTH AMENDMENT TO
STANDARD MULTI-TENANT OFFICE LEASE – GROSS

This Fourth Amendment to Standard Multi-Tenant Office Lease – Gross ("**Fourth Amendment**") is made and entered into effective as of June 26, 2019 ("**Effective Date**"), by and between RANCHO SUMMIT LLC, a California limited liability company ("**Lessor**"), and LIFE360 INC., a Delaware corporation ("**Lessee**"), with respect to the Lease, as defined below.

RECITALS

A. WHEREAS, on or about April 24, 2015, Lessor and Lessee predecessor in interest executed a Standard Multi-Tenant Office Lease – Gross for the Premises commonly known as 1953 San Elijo Avenue, Suite 205, Cardiff By The Sea, California 92007 (the "**Original Lease**"). The terms of the Original Lease are fully incorporated herein by this reference. Lessor and Lessee predecessor in interest executed a First Amendment to Lease dated March 28, 2017 (the "**First Amendment**"). The terms of the First Amendment are fully incorporated herein by this reference. Lessor and Lessee executed a Second Amendment to Lease dated May 30, 2018 (the "**Second Amendment**"). The terms of the Second Amendment are fully incorporated herein by this reference. Lessor and Lessee executed a Third Amendment to Lease dated September 30, 2019 (the "**Third Amendment**"). The terms of the Third Amendment are fully incorporated herein by this reference. The Original Lease, First Amendment, Second Amendment, and Third Amendment are collectively referred to as the "**Lease**."

B. WHEREAS, the First Amendment served to add Suite 200 to be a part of the Premises and to extend the Term to March 31, 2019.

C. WHEREAS, the Second Amendment served to temporarily surrender Suite 200.

D. WHEREAS, the Third Amendment served to permanently surrender Suite 200, add Suite 204 to be part of the Premises, and to extend the Term to September 30, 2021.

C. WHEREAS, all capitalized terms not otherwise defined in this Fourth Amendment have the meanings given them in the Lease.

D. WHEREAS, Lessor and Lessee now desire to amend the Lease pursuant to the following terms and conditions:

NOW THEREFORE, in consideration of the foregoing facts and circumstances, the covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the parties do hereby agree as follows:

LEASE AMENDMENT

1. **Expansion**. Commencing on August 1, 2019, Suite 200 shall be added to the Premises.

2. **Premises**. As of August 1, 2019, the Premises shall include Suite 200 (1,404 RSF), Suite 204 (1,033 RSF), and Suite 205 (1,656 RSF).

3. **Term**. The Expiration Date for Suite 204 and Suite 205 remains as specified in the Third Amendment. The Expiration Date for Suite 200 is July 31, 2024.

4. **Base Rent Adjustment**. Monthly Base Rent shall be as follows:

a. $7,722.00 for Suite 200, $4,909.18 for Suite 204, and $7,869.90 for Suite 205 from August 1, 2019, to September 30, 2019.

b. $7,722.00 for Suite 200, $5,056.46 for Suite 204, and $8,105.99 for Suite 205 from October 1, 2019, to September 30, 2020.

c. $7,953.66 for Suite 200, $5,208.15 for Suite 204, and $8,349.17 for Suite 205 from October 1, 2020, to September 30, 2021.

d. $8,192.27 for Suite 200 from October 1, 2021, to September 30, 2022.

e. $8,438.04 for Suite 200 from October 1, 2022, to September 30, 2023.

f. $8,691.18 for Suite 200 from October 1, 2023, to July 31, 2024.

5. **Tenant Improvements**. Lessor shall provide Lessee with a tenant improvement allowance in the amount of FORTY THOUSAND DOLLARS ($40,000.00) for space planning, materials, and supervision fees to construct building standard improvements. The space plan is attached as Exhibit A. Lessee shall pay for any costs to improve the Premises in excess of the tenant improvement allowance.

6. **Security Deposit**. The Security Deposit (1) paid pursuant to the Assignment and Assumption of Lease dated effective on December 4, 2017, by which Lessee took the assignment of the Lease from Lessee's predecessor in interest and (2) paid pursuant to the Second Amendment shall remain with Lessor. The Security Deposit for Suite 200 shall be EIGHT THOUSAND DOLLARS ($8,000.00) and shall be paid within thirty days of the Effective Date.

7. **No Other Modifications**. Except as expressly set forth herein the Lease remains unchanged, unmodified and continues in full force and effect.

8. **Reaffirmation**. As of the Effective Date Lessee reaffirms the Lease and acknowledges that except as specifically set forth in this Fourth Amendment, the Lease is unchanged, unmodified and remains in full force and effect. Lessee further acknowledges that Lessor is not in breach of the Lease nor do any conditions exist that would lead to a breach of this Lease by Lessor in the future.

9. **Conflict**. In the event of any conflict, inconsistency or ambiguity between the terms of this Fourth Amendment and the Lease, the terms of this Fourth Amendment shall govern and control.

IN WITNESS WHEREOF, the parties have executed this Second Amendment effective as of the Effective Date.

LESSOR:

RANCHO SUMMIT LLC,
a California limited liability company

By: Torrey Pacific Corporation,
a California corporation
Its: Manager

By: /s/ Brian Staver
Name: Brian Staver
Title: Authorized Agent

LESSEE:

LIFE360, INC.,
a Delaware corporation

By: /s/ Wendell Laidley
Name: Wendell Laidley
Title: Chief Financial Officer

Exhibit 10.31

OFFICE LEASE

THE ATRIUM

Suite 310
San Mateo, California 94403

1900 ATRIUM ASSOCIATES LP,
a Delaware limited partnership,
AS LANDLORD

and

TILE, INC.,
a Delaware corporation,
AS TENANT

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OFFICE LEASE

THIS LEASE is made and entered into as of **September 12, 2019** (the "**Lease Reference Date**"), by and between **1900 ATRIUM ASSOCIATES LP**, a Delaware limited partnership ("**Landlord**"), and **TILE, INC.**, a Delaware corporation ("**Tenant**").

WITNESSETH

1. **Basic Lease Information**.

   a. **Building Address**: 1900 South Norfolk Street, San Mateo, CA 94403.

   b. **Premises**: Suite 310

   c. **Approximate Area of Premises**: approximately 16,738 rentable square feet (measured using the Standard Method for Measuring Floor Area in Office Buildings (ANSI/BOMA Z65.1-1996, and its accompanying guidelines, as interpreted by Landlord's architect).

   d. **Term**: Three (3) years, plus the partial month, if any in which the Term commences.

   e. **Term Commencement**: The date (the "**Lease Commencement Date**") that is the earlier to occur of (i) the date upon which Tenant first commences to conduct business in the Premises, or (ii) the Substantial Completion Date of Landlord's Work (as such terms are defined below). The Lease Commencement Date is anticipated to occur on September 15, 2019 ("**Anticipated Lease Commencement Date**").

   f. **Term Expiration**: September 30, 2022 (the "**Lease Expiration Date**").

   g. **Base Rent**: Initially 16,738 rsf multiplied by $50.40 per rentable square foot annually, which equals Seventy Thousand Three Hundred Dollars ($70,300) per month for the first month, which shall be pre-paid upon Lease execution, and thereafter, payable monthly as set forth in the schedule below:

For the Period	Monthly Base Rent	Annualized Base Rent
September 15, 2019 through September 30, 2020	$ 70,300*	$ 843,600
October 1, 2020 through September 30, 2021	$ 72,409	$ 868,908
October 1, 2021 through September 30, 2022	$ 74,581	$ 894,972

Notwithstanding anything in this Article 1.g. of the Lease to the contrary, so long as Tenant is not in default under this Lease beyond any applicable notice and cure periods, Tenant shall be entitled to an abatement of Base Rent in the amount of $140,600.00 (the "**Abated Rent**") for the period commencing on September 15, 2019 and ending on November 14, 2019 (the "**Rent Abatement Period**"). If Tenant defaults at any time during the Term and fails to cure such default within any applicable cure period under the Lease and Landlord terminates this Lease as a result thereof, all unamortized Abated Rent shall immediately become due and payable. The payment by Tenant of the Abated Rent in the event of a default shall not limit or affect any of Landlord's other rights, pursuant to this Lease or at law or in equity. During the Rent Abatement Period, only Rent shall be abated, and all additional rent and other costs and charges specified in this Lease shall remain as due and payable pursuant to the provisions of this Lease.

h. **Other Periodic Payments**: Tenant shall be responsible for payment of Tenant's Percentage Share of Operating Expenses and Property Taxes in excess of the Base Year Operating Expenses and Property Taxes (as such terms are defined below).

i. **Tenant's Percentage Share**: Ten and Twenty-Four One-Hundredths Percent (10.24%) based on 163,476 rentable square feet of the Building.

j. **Base Year for Operating Expenses and Property Taxes**: Calendar Year 2020.

k. **Permitted Use**: Administrative, general office use, and any other legally permitted use.

l. **Security Deposit**: Two Hundred Ninety-Eight Thousand, Three Hundred Twenty-Four Dollars ($298,324) as a cash security deposit, or delivery of a letter of credit in the same amount pursuant to Section 19 herein, payable upon Tenant's execution of this Lease.

m. **Parking**: Three and one half (3.5) unreserved, unassigned parking spaces per one thousand (1,000) square feet of leased space, subject to Section 27 below.

n. **Tenant Notice Address**: Prior to the Lease Commencement Date:
Tile, Inc.
2121 S. El Camino Real Suite 900
San Mateo, CA 94403
Attn: _____

After the Lease Commencement Date:

Tile, Inc.
1900 S. Norfolk Street
San Mateo, CA 94403
Attn: _____
Email address: _____

with a copy to:

Rich Branning
Steffen Kammerer
Jones Lang LaSalle
4085 Campbell Avenue #150
Menlo Park, CA 94025

o. **Landlord Notice Address**: 1900 Atrium Associates LP
c/o Seagate Properties, Inc.
980 Fifth Avenue
San Rafael, CA 94901
Attn: Lease Administrator

(and address for payment of Rent):

1900 Atrium Associates LP
c/o Seagate Properties, Inc.
980 Fifth Avenue
San Rafael, CA 94901
Attn: Lease Administrator

p. **Broker(s)**: Tenant's Broker: Jones Lang LaSalle
Landlord's Broker: Cushman & Wakefield

2. **Premises**. Landlord hereby leases to Tenant, and Tenant hereby leases from landlord for the Term (as defined below) and at the rental as set forth in Basic Lease Information and upon the conditions set forth below, the Premises described in the Basic Lease Information and identified on the drawing attached hereto as Exhibit A. The Premises are located within the building commonly known as 1900 Norfolk Street, San Mateo, California (the "**Building**"). The Premises, the Building and the legal parcel on which the Building is located, together with other appurtenances, are collectively, the "**Property**." Tenant shall take the Premises in their "AS-IS" condition, and Landlord shall have no obligation whatsoever to remodel, alter or improve the Premises for use by Tenant, to provide any improvement or construction allowance to Tenant, or to pay or reimburse Tenant for any remodeling, alterations or improvements to the Premises, other than as specifically set forth in the attached Exhibit C.

3. **Term**. The term of this Lease shall commence and, unless sooner terminated as hereinafter provided, shall end on the dates respectively specified in the Basic Lease Information (the "**Term**"). Landlord shall permit Tenant to access the Premises two (2) weeks prior to the Anticipated Lease Commencement Date in order for Tenant to install its furniture, fixtures and equipment, and if not delivered by the Anticipated Lease Commencement Date, then Landlord shall permit Tenant access to the Premises for occupancy as of September 16, 2019, provided that such early access shall be subject to all the terms of this Lease other than the payment of Base Rent, unless such access and/or occupancy by Tenant unreasonably interferes with the completion of the Landlord Work (as defined below) (a "**Tenant Interference**"), in which case Tenant shall pay Base Rent on a day-for-day basis for each day that there is a Tenant Interference. Subject to the foregoing, if Landlord, for any reason whatsoever, cannot complete the Landlord Work on or before the Anticipated Lease Commencement Date, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting therefrom, but in that event, subject to any contrary provisions in any agreement with Landlord covering initial improvement of the Premises, Base Rent shall be abated until such time when Landlord has completed the Landlord Work for the Premises. Notwithstanding any of the forgoing, nothing herein shall serve to extend the Term and the date of term expiration shall not be extended by any delay in delivery of possession.

4. **Rent**.

a. Tenant shall pay to Landlord as monthly rental the amount specified in Section 1.g. of the Basic Lease Information as the Base Rent. Base Rent for the first month shall be payable upon Tenant's execution of this Lease and in advance on or before the first day of the first full calendar month following commencement of the Term and of each successive calendar month thereafter during the Term. If the Term commences on other than the first day of a calendar month any excess payment of Base Rent shall be credited against the last payment of Base Rent otherwise due.

b. Tenant shall pay, as additional rent, all amounts of money required to be paid to Landlord by Tenant hereunder in addition to the Base Rent, whether or not the same be designated "additional rent."

c. Tenant acknowledges that late payment of any installment of Base Rent or additional rent or any other amount required under this Lease will cause Landlord to incur costs not contemplated by this Lease and that the exact amount of such costs would be extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges, late charges that may be imposed on Landlord by the terms of any encumbrance or note secured by the Property and the loss of the use of the delinquent funds. Accordingly, if any installment of rent or any other sums due from Tenant shall not be received by Landlord within five (5) days following the date due, Tenant shall pay to Landlord a late charge equal to eight percent (8%) of such overdue amount; provided, however, Landlord shall waive the application of such late charge once per calendar year provided that Tenant pays the delinquent sum within five (5) days after receipt of written notice from Landlord that such amount was not paid when due. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

d. Any amount due to Landlord, if not paid within five (5) days of the date when due, shall bear interest from the date due until paid at the rate of ten percent (10%) per year or, if less, the highest rate permissible under applicable law (the "**Interest Rate**"). Payment of interest shall not excuse or cure any default hereunder by Tenant.

e. All payments due from Tenant to Landlord hereunder shall be made to Landlord without prior notice, demand, deduction or offset in lawful money of the United States of America at the address for payment set forth in the Basic Lease Information, or to such other person or at such other place as Landlord may from time to time designate by notice to Tenant.

5. **Taxes and Operating Expenses**.

a. Beginning January 1, 2021, Tenant shall pay Tenant's Percentage Share, as specified in the Basic Lease Information, of the increase of all Property Taxes assessed in respect of the Property during the Term over Base Year Property Taxes, and Tenant's Percentage Share of the increase of all Operating Expenses paid or incurred by Landlord over Base Year Operating Expenses. Within one hundred twenty (120) days after the close of the 2020 calendar year (or as soon thereafter as is practicable), Landlord shall deliver to Tenant a statement of actual Property Taxes and Operating Expenses for the 2020 Base Year. Tenant's Percentage Share is calculated by dividing the rentable area of the Premises, as set forth in the Basic Lease Information, by the rentable area of the Building, and shall be subject to change if Landlord changes the total rentable area of the Building. If during any calendar year during the Term, the Building is not fully occupied on the average, Operating Expenses and Property Taxes shall be adjusted to equal Landlord's reasonable estimate o Operating Expenses and Property Taxes had the total rentable area of the Building been fully occupied during such calendar year.

b. For the purposes hereof, "**Property Taxes**" shall mean all taxes, assessments, rates and charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind and nature whatsoever, including but not limited to assessments for public improvements or benefits, which relate to any period falling in whole or in part within the Term and which are assessed, levied, confirmed, imposed, or become a lien upon or payable in respect of the Premises or the Property and/or any buildings or other improvements thereon and any tax or excise on rents or other tax howsoever described, unforeseen as well as foreseen, at any time imposed under the laws of any governmental authority which relates to any period falling in whole or in part within the Term and which is levied or assessed directly or indirectly against Landlord or on the rental and charges payable under leases for portions of the Property or on receipts or income payable to Landlord under any other agreement or arrangement relating to Property, including, without limitation, any gross receipts tax to the extent imposed upon Landlord by reason of the receipt of rental, charges or other income from the Premises or the Property; provided, however, that Landlord may, at its election and in lieu of including such taxes in Operating Expenses, allocate to Tenant a share of such taxes by reference to the amount thereof attributable to payments made by Tenant under this Lease. Property Taxes shall also include the cost of protesting real property taxes and assessments. Notwithstanding anything to the contrary contained in this Section, there shall be excluded from Property Taxes (i) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes to the extent applicable to Landlord's general or net income (as opposed to rents, receipts or income attributable to operations at the Building), (ii) any items included as Operating Expenses, and (iii) any items paid by Tenant under Section 6 (taxes for which Tenant is directly responsible) of this Lease. Base Year Property Taxes shall be those assessed during the Base Year set forth in the Basic Lease Information.

c. For the purposes hereof, "**Operating Expenses**" shall mean all expenses and costs of every kind and nature which Landlord shall pay or become obligated to pay because of or in connection with the ownership and operation of the Property, including, without limitation: (i) all license, permit, and inspection fees; (ii) premiums and the deductibles for any insurance maintained by Landlord with respect to the Property; (iii) wages, salaries and related expenses and benefits of all on-site and off-site employees engaged in operation, maintenance and security; (iv) all supplies, materials, and equipment rental; (v) all maintenance, repair, replacement, janitorial, security, and service costs; (vi) management fees or a management cost recovery equal to a market rate management fee; (vii) Building management office rent or rental equivalent; (viii) professional services fees; (ix) expenditures for capital improvements made at any time to the Property (A) that are intended in Landlord's good faith judgment as labor saving devices, or to reduce or eliminate other Operating Expenses or to affect other economies in the operation, maintenance, or management of the Property, or (B) that are necessary or appropriate in Landlord's reasonable judgment for the health and safety of occupants of the Property, or (C) that are necessary under any legal requirements which were not applicable to the Property as of the date hereof, or (D) that are replacements of items which Landlord is required to maintain, all amortized over such reasonable period as Landlord shall determine (provided that such period shall be within the range used to amortize such costs by landlords of other first-class office buildings in the San Mateo market in accordance with generally accepted property management practices) at an interest rate of eight percent (8%) per annum, or, if applicable, the rate paid by Landlord on funds borrowed for the purpose of constructing or installing such capital improvements, except that Landlord may treat as costs chargeable in the calendar year incurred, and not as capital expenditures, any item that is less than two percent (2%) of Operating Expenses estimated by Landlord for the calendar year in question; (x) all charges for heat, water, gas, electricity and other utilities used or consumed in the Building and surrounding areas; and (xi) all other operating, management, and other expenses incurred by Landlord in connection with the operation of the Property. Operating Expenses shall not include (a) the cost of repairs or restoration occasioned by a casualty to the extent covered by insurance proceeds made available to Landlord, (b) expenses incurred in leasing to or procuring of tenants, leasing commissions, legal fees related to other tenants' leases, advertising expenses, expenses for the renovating of space for new tenants, (c) debt service payments by Landlord except as allowed above, nor any depreciation allowance or expense, (d) any bad debt loss, rent loss, or reserves of any kind, (e) costs associated with the operation of the business of the limited liability company, partnership or entity which constitutes Landlord, as the same are distinguished from the costs of operation of the Building, (f) overhead and profit increment paid to the Landlord or to subsidiaries or affiliates of the Landlord for services in the Building to the extent the same materially exceeds the costs of such services rendered by qualified, first-class unaffiliated third parties on a competitive basis, (g) costs, including fines or penalties, incurred due to a violation of any law in force and effect as of the Lease Commencement Date relating to the Building, (h) costs for repairs that are covered by warranties to the extent actually covered by such warranties, (i) attorneys' and other professional fees and expenses incurred in connection with the enforcement of leases affecting the Building, (j) costs incurred to comply with laws relating to the removal of Hazardous Material which was in existence in the Building or on the common areas prior to the Lease Commencement Date, (k) costs for capital

improvements, repairs or replacements, except as set forth in this Section 5.c., above, (l) the cost of any items to the extent to which such cost is reimbursed to Landlord by tenants of the Building (other than as a reimbursement of operating expenses), or other third parties, or is covered by a warranty or guarantee to the extent of reimbursement for such coverage, (m) costs of all items and services for which Landlord provides selectively to one or more tenants or occupants of the Building (other than Tenant), (n) cost expressly excluded from Operating Expenses in other provisions of this Lease, and (o) the wages and benefits of any employee above property manager and any employee who does not devote substantially all of his or her employed time to the Building unless such wages and benefits are prorated to reflect time spent on operating and managing the Building vis-à-vis time spent on matters unrelated to operating and managing the Building. Base Year Operating Expenses shall be those expenses and costs during the Base Year set forth in the Basic Lease Information.

d. Tenant shall pay to Landlord each month at the same time and in the same manner as monthly Base Rent, one twelfth (1/12th) of Landlord's estimate of Tenant's Percentage Share of the increase in Property Taxes and Operating Expenses for the then current calendar year payable by Tenant. Within one hundred twenty (120) days after the close of each calendar year (or as soon thereafter as is practicable), Landlord shall deliver to Tenant a statement of actual Property Taxes and Operating Expenses for such calendar year and such statement ("**Annual Statement**") shall be final and binding upon Landlord and Tenant, subject to Section 5.g., below (except that the Property Taxes included in such statement may be modified by any subsequent adjustment or retroactive application of Property Taxes affecting the calculation of such Property Taxes); provided, however, that if Landlord's statement is not given prior to the first day of any calendar year Tenant shall continue to pay additional rent on the basis of the prior year's estimate until the month after Landlord's notice is given. Landlord may determine some items of Property Taxes and Operating Expenses on a cash basis and other items on an accrual basis, so long as such determination is consistently applied to the same item during all accounting periods. If on the basis of such statement Tenant owes an amount that is less than the estimated payments for such calendar year previously made by Tenant, Landlord shall credit such excess against Operating Expenses and Property Taxes subsequently payable by Tenant, or reimburse Tenant the same in the event the Term expires before such credit is fully applied. If on the basis of such statement Tenant owes an amount that is more than the estimated payments for such calendar year previously made by Tenant, Tenant shall pay the deficiency to Landlord within fifteen (15) days after delivery of the statement.

e. If this Lease terminates on a day other than the last day of a calendar year, the additional rent payable by Tenant pursuant to this Section 5 applicable to the calendar year in which this Lease terminates shall be prorated on the basis that the number of days from the commencement of such calendar year to and including such termination date bears to three hundred sixty (360).

f. The obligations of Landlord and Tenant under this subsection with respect to the reconciliation between estimated payments and actual Property Taxes and Operating Expenses for the last year of the Term shall survive the termination of this Lease.

g. Upon written notice from Tenant given within ninety (90) days after Tenant's receipt of the Annual Statement, Tenant's agents and representatives may, at reasonable times and in a reasonable manner, inspect and/or audit such of Landlord's books of account and records as pertain to and contain information concerning the Annual Statement for such calendar year in order to verify the amounts of Operating Expenses and Property Taxes payable for such calendar year. Such inspection shall take place at Landlord's office in the San Francisco Bay Area at a mutually convenient time upon at least ten (10) business days' prior written notice from Tenant to Landlord and, in such an event, Tenant shall also agree to follow Landlord's reasonable procedures for auditing such books and records. Such books and records may not be removed from Landlord's offices. Landlord and Tenant shall act reasonably in assessing the other party's calculation of the amounts contained in the Annual Statement. If Tenant timely elects to audit Landlord's books and records, such audit shall be performed by Tenant's internal accountants or a reputable certified public accountant designated by Tenant and reasonably acceptable to Landlord, and not paid on a contingent fee basis, to audit the Annual Statement, provided that Tenant (i) actually begins such audit within twenty (20) days after the notice from Tenant to Landlord advising Landlord that Tenant will require an audit and (ii) diligently pursues such audit to completion as quickly as reasonably possible. Tenant's failure to notify Landlord of its intention to exercise its rights hereunder within ninety (90) days after receipt of the Annual Statement shall be deemed a waiver of its right to inspect or contest the method, accuracy or amount contained in such the Annual Statement with respect to the applicable calendar year. Tenant shall bear all of its costs of such audit, except as set forth below. If based on such audit, Tenant has overpaid the amounts contained in the respective the Annual Statement, the amount of such overpayment shall be credited toward the next installment of Operating Expenses and Property Taxes or, if no such installment is next due, paid in full to Tenant within thirty (30) days after the determination of the amount of such overpayment. If based on such audit, Tenant has underpaid its obligations for such period, the amount of such underpayment shall be paid to Landlord within thirty (30) days after the determination of the amount of such overpayment. Notwithstanding anything to the contrary set forth above, Tenant's audit rights under this subparagraph shall be conditioned upon (i) Tenant having paid the total amounts billed by Landlord for Operating Expenses and Property Taxes within the time stipulated above for payment (including, without limitation, the contested amounts) and (ii) Tenant executing, prior to the commencement of the audit, a confidentiality agreement in form and substance reasonably satisfactory to Landlord, Tenant and its auditor in which Tenant shall agree to keep confidential, and not disclose to any other party other than Tenant's officers, managers, accountants, consultants, attorneys and other representatives, the results of any such audit or any action taken by Landlord in response thereto, except as required to comply with applicable laws or except in connection with the enforcement of Tenant's rights under this Lease. In the event the audit determines that Operating Expenses and/or Property Taxes were overstated for the year being audited by more than five percent (5%), then Landlord shall pay the reasonable cost of the audit, not to exceed $3,500.00.

6. **Other Taxes**. Tenant shall pay or reimburse Landlord for any taxes upon, measured by or reasonably attributable to the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises or leasehold improvements made in or to the Premises at Tenant's expense; for any taxes, assessments, fees or charges imposed by any public authority or private community maintenance association upon or by reason of the development, possession, use or occupancy of the Premises or the parking facilities used by Tenant in connection with the Premises; and for any gross receipts tax imposed with respect to the rental payable hereunder.

7. **Use**.

a. The Premises shall be used and occupied by Tenant for only for the use described in and in accordance with the Basic Lease Information and Rules and Regulations attached to this Lease as Exhibit B and for no other purpose. Tenant shall not do or permit anything to be done in or about the Premises which will in any way conflict with any applicable laws, statutes, ordinances, rules, regulations, orders and requirements (collectively, "**Applicable Laws**") now in force or which may hereafter be enacted. Tenant, at its sole cost and expense, shall promptly comply with all such present and future Applicable Laws relating to the condition, use or occupancy of the Premises, and shall perform all work to the Premises or other portions of the Building required to effect such compliance (or, at Landlord's reasonable election, Landlord may perform such work at Tenant's cost). Notwithstanding the foregoing, however, Tenant shall not be required to perform any structural changes to the structural portions of the Building, and the public restrooms, elevators, exit stairwells and the systems and equipment located in the internal core of the Building on the floor or floors on which the Premises is located (the "**Base Building**"), unless such changes are related to or affected or triggered by (i) Tenant's alterations, (ii) Tenant's particular use of the Premises (as opposed to Tenant's use of the Premises for general office purposes in a normal and customary manner), (iii) Tenant's particular employees or employment practices, or (iv) the construction of initial improvements to the Premises by Tenant, if any. The judgment of any court of competent jurisdiction or the admission of Tenant in an action against Tenant, whether or not Landlord is a party thereto, that Tenant has violated any Applicable Laws shall be conclusive of that fact as between Landlord and Tenant. Tenant shall immediately furnish Landlord with any notices received from any insurance company or governmental agency or inspection bureau regarding any unsafe or unlawful conditions within the Premises or the violation of any Applicable Laws. Tenant shall not use or permit the use of the Premises in any manner that will tend to create waste or a nuisance, or which unreasonably disturbs other tenants of the Building, nor shall Tenant, its employees, agents or invitees damage the Premises, the Building or related improvements, nor place or maintain any signs on or visible from the exterior of the Premises without Landlord's written consent, which consent may be withheld in Landlord's sole and absolute discretion, or use any corridors, sidewalks or other areas outside of the Premises for storage or any purpose other than access to the Premises. Tenant shall not conduct any auction at the Premises. Notwithstanding any other provision of this Lease, Tenant shall not use, keep or permit to be used or kept on the Premises any foul or noxious gas or substance, nor shall Tenant do or permit to be done anything in and about the Premises, either in connection with activities hereunder expressly permitted or otherwise, which would cause an increase in premiums payable under, or a cancellation of, any policy of insurance maintained by Landlord in connection with the Premises or the Building or which would violate the terms of any covenants, conditions or restrictions affecting the Building or the land on which it is located. If any act or omission of Tenant results in any such increase in premium rates, Tenant shall pay to Landlord upon demand the amount of such increase.

b. Tenant shall faithfully observe and comply with the rules and regulations attached to this Lease as Exhibit B, and, after notice thereof, all reasonable modifications thereof and additions thereto from time to time promulgated in writing by Landlord which do not materially increase Tenant's obligations or materially decrease Tenant's rights under the Lease. Landlord shall not be responsible to Tenant for the nonperformance by any other tenant or occupant of the Building of any of said rules and regulations, but Landlord shall use good faith efforts to enforce the rules and regulations consistently.

c. Tenant shall strictly comply with all statutes, laws, ordinances, rules, regulations, and precautions now or hereafter mandated or advised by any federal, state, local or other governmental agency with respect to the use, generation, storage, or disposal of hazardous, toxic, or radioactive materials (collectively, "**Hazardous Materials**"). As herein used, Hazardous Materials shall include, but not be limited to, those materials that are hazardous, toxic, radioactive or carcinogenic materials, substances or wastes. Tenant shall not cause, or allow its agents, employees or contractors to cause, any Hazardous Materials to be used, generated, stored, or disposed of on or about the Premises or the Building other than reasonable quantities of office and cleaning supplies in their retail containers. Tenant shall defend (with counsel approved by Landlord), indemnify and hold Landlord, its trustees, employees, property manager and agents, any entity having a security interest in the Premises or the Building, and its and their employees and agents (collectively, "**Indemnitees**") harmless from and against, and shall reimburse the Indemnitees for, all liabilities, claims, costs, damages, and depreciation of property value, including all foreseeable and unforeseeable consequential damages, directly or indirectly arising out of the use, generation, storage, or disposal of Hazardous Materials by Tenant or any person claiming under Tenant, including, without limitation, the cost of any required or necessary investigation, monitoring, repair, cleanup, or detoxification and the preparation of any closure or other required plans, whether such action is required or necessary prior to or following the termination of this Lease, as well as penalties, fines and claims for contribution to the full extent that such action is attributable, directly or indirectly, to the use, generation, storage, or disposal of Hazardous Materials by Tenant or any person claiming under Tenant. Neither the consent by Landlord to the use, generation, storage, or disposal of Hazardous Materials nor the strict compliance by Tenant with all statutes, laws, ordinances, rules, regulations, and precautions pertaining to Hazardous Materials shall excuse Tenant from Tenant's obligation of indemnification set forth above. Tenant's obligations unless this Section 7 shall survive the expiration or termination of this Lease.

d. As required by Section 1938(a) of the California Civil Code, Landlord discloses to Tenant that the Premises have not undergone inspection by a Certified Access Specialist ("**CASp**"). As required by Section 1938(e) of the California Civil Code, Landlord also states that: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." As permitted by the quoted language above, it is agreed that: (i) any CASp inspection requested by Tenant shall be requested by Tenant within ten (10) days after the date on which this Lease has been executed by Landlord and Tenant, (ii) Landlord shall be an intended third party beneficiary of the contract under which the inspection is to be performed and the contract shall otherwise comply with the provisions of the Lease applicable to Tenant contracts for construction; (iii) the CASp inspection shall be conducted (A) at

Tenant's sole cost and expense, (B) by a CASp approved in advance by Landlord and only after ten (10) days' prior written notice to Landlord of the date of such CASp inspection, (C) between the hours of 9:00 a.m. and 5:00 p.m. on any business day, (D) in a manner reasonably satisfactory to Landlord, and (E) shall be addressed to, and, upon completion, promptly delivered to, Landlord and Tenant; (iv) the information in the inspection shall not be disclosed by Tenant to anyone other than contractors, subcontractors, and consultants of Tenant who have a need to know the information therein and who agree in writing not to further disclose such information; (v) Tenant, at its sole cost and expense, shall be responsible for making any improvements, alterations, modifications and/or repairs to or within the Premises to correct violations of construction-related accessibility standards including, without limitation, any violations disclosed by such CASp inspection; and (vi) if such CASp inspection identifies any improvements, alterations, modifications and/or repairs necessary to correct violations of construction-related accessibility standards relating to those items of the Building located outside the Premises that are Landlord's obligation to repair as set forth in Section 9.a. below, then Landlord shall perform such improvements, alterations, modifications and/or repairs as and to the extent required by Applicable Laws to correct such violations, and Tenant shall reimburse Landlord for the cost of such improvements, alterations, modifications and/or repairs within ten (10) business days after Tenant's receipt of an invoice therefor from Landlord.

8. **Services and Utilities**.

a. Landlord shall furnish the Premises with: (1) electricity for lighting and the operation of normal desk-top office machines, conditioned air and heat to the extent reasonably required for the comfortable occupancy by Tenant in its use of the Premises during the period from 7:00 a.m. to 6:00 p.m. on weekdays, except holidays ("**Normal Office Hours**"), or such shorter period as may be prescribed by any applicable policies or regulations adopted by any utility or governmental agency, (2) elevator service, (3) water to serve plumbing and fixtures installed in the Building, (4) normal scavenger service at such location in the Building as shall be designated by Landlord, (5) janitorial services, and (6) window washing of exterior windows of the Premises. Subject to the immediately preceding sentence, Landlord may provide heat and air conditioning during periods other than Normal Office Hours, provided Tenant shall pay Landlord, as additional rent, Landlord's prevailing rate for providing such heat and or conditioned air and utilities to the Premises during such periods requested by Tenant. Tenant shall be responsible for providing and paying for all utilities and services to the Premises other than those herein agreed to be provided by Landlord. "**Holidays**" are defined to be the following days: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, and to the extent of utilities or services provided by union members engaged at the Building, such other holidays observed.

b. Tenant shall not install or use heat-generating machines, lighting other than building standard or other equipment which may affect the temperature otherwise maintained by the heating, air conditioning and ventilation system, office machines using more than 220 volts, or equipment causing the connected electrical load in the Premises to exceed normal office usage in the Building, without the prior consent of Landlord, which consent may be withheld in Landlord's sole and absolute discretion. Whenever heat generating equipment or lighting other than building standard lights are used in the Premises by Tenant which affect the temperature otherwise maintained by the air conditioning system, whether or not consented to by Landlord, Landlord shall have the right, after notice to Tenant, to install supplementary air conditioning facilities in

the Premises or otherwise modify the ventilating and air conditioning system serving the Premises, and the cost of such facilities and modifications shall be borne by Tenant and Tenant shall also pay as additional rent the cost of providing all heating, ventilation and air conditioning energy to the Premises required by such heat generating equipment or lighting. If Tenant installs lighting requiring power in excess of that required for normal office use in the Building or if Tenant installs equipment requiring power in excess of that required for normal desk-top office equipment or normal copying equipment, Tenant shall pay for the cost of such excess power as additional rent, together with the cost of installing any additional facilities that may be necessary to furnish such excess power to the Premises. If Tenant uses utilities in excess of that required for normal office use as described above or during periods other than Normal Office Hours, Landlord may, at Landlord's option, separately meter all or a portion of the Premises at Tenant's expense to measure such excess usage.

c. Landlord's obligation to provide utilities and services for the Premises are subject to the rules and regulations of the Building, Applicable Laws (including the rules or actions of the public utility company furnishing the utility or service), and shutdowns for maintenance and repairs, for security purposes, or due to strikes, lockouts, labor disputes, fire or other casualty, acts of God, or other causes beyond the control of Landlord. Landlord shall not be liable for damages, consequential or otherwise, nor shall there be any rent abatement, arising out of any curtailment or interruption whatsoever in utility services. Notwithstanding the foregoing, if, as a direct result of Landlord's gross negligence or willful misconduct, which has the effect of reducing or shutting off any utilities supplied to the Premises, and due to no fault or negligence of Tenant, there is an interruption, disruption or discontinuance in any utilities supplied to the Premises by Landlord, and such violation or condition results in a substantial and material interference with Tenant's ability to conduct its business in the Premises, and as a result, after providing adequate notice of such failure to Landlord, Tenant is forced to cease business operations in the Premises for a period in excess of forty-eight (48) hours, then the payment of Base Rent shall abate until such time as such utility service is restored or Tenant is able to reopen the Premises for business operations, whichever shall first occur. Tenant hereby waives the provisions of California Civil Code Section 1932(1) or any other applicable existing or future Legal Requirement permitting the termination of this Lease due to such interruption, failure or inability.

9. **Maintenance Repairs and Alterations**.

a. Subject to the provisions of Section 11 below, and except for damages caused by Tenant, its agents or invitees, Landlord shall keep in good condition and repair the foundations and exterior walls and roof of the Building, common Building systems, and all common areas exterior to and within the Building not leased to tenants. Tenant expressly waives the benefits of any statute now or hereafter in effect (including, without limitation, California Civil Code Sections 1932(1), 1941 and 1942) which would otherwise afford Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Premises or the Building in good order, condition and repair.

b. Tenant shall, at Tenant's expense, maintain the interior portion of the Premises (below the ceiling tiles, other than with respect to Tenant's cabling), including, but not limited to, all cabling, plumbing and electrical fixtures and outlets and any interior glass in good condition and repair. If Tenant fails to do so, after written notice to Tenant and a reasonable cure period, Landlord may, but shall not be required to, enter the Premises and put them in good condition, and Landlord's costs thereof shall automatically become due and payable from Tenant as additional rent. Landlord may, but shall not be required to, perform such repairs or services for Tenant's account if Tenant fails to timely perform the same and Landlord's costs shall include an additional, up to ten percent (10%) administrative charge for all such work performed for Tenant. At the expiration of the Term, Tenant shall deliver up possession of the Premises in the condition received, only ordinary wear and tear excepted.

c. Tenant shall not, without Landlord's prior consent (which consent shall not be unreasonably withheld, conditioned or delayed), make any alterations, improvements or additions in or about the Premises including the placement of communications of computer wiring, cables or equipment within the Premises or Building. As a condition to giving such consent, Landlord may require that Tenant remove any such alterations, improvements or additions at the expiration of the Term, and to restore the Premises to their prior condition. Before commencing any work relating to alterations, additions or improvements affecting the Premises, Tenant shall notify Landlord of the expected date of commencement thereof and of the anticipated cost thereof, and shall furnish complete drawings and specifications describing such work as well as such information as shall reasonably be requested by Landlord substantiating Tenant's ability to pay for such work. Landlord shall then have the right at any time and from time to time to post and maintain on the Premises such notices as Landlord reasonably deems necessary to protect the Premises, the Building and Landlord from mechanics' liens or any other liens. In any event, Tenant shall pay when due all claims for labor or materials furnished to or for Tenant at or for use in the Premises. Tenant shall not permit any mechanics' liens to be levied against the Premises for any labor or materials furnished to Tenant or claimed to have been furnished to Tenant or to Tenant's agents or contractors in connection with work performed or claimed to have been performed on the Premises by or at the direction of Tenant, and Tenant shall fully and promptly pay and discharge and wholly protect and save harmless, by bond or otherwise, Landlord, and all and every part of the estate, right, title and interest of Landlord in and to all and every part of the Premises and the Property, against any and all such demands or claims which may or could ripen into such liens or claims therefor. In the event that Tenant shall fail to have any lien discharged of record within ten (10) days after Tenant receives notice thereof, Landlord may bond or otherwise cause the lien to be discharged of record, and, without limiting its other rights and remedies, Landlord may recover from Tenant all costs and expenses incurred in connection therewith.

d. All alterations, improvements or additions in or about the Premises performed by or on behalf of Tenant shall be done by contractors designated or approved by Landlord, in a first-class, workmanlike manner which does not disturb or interfere with other tenants and in compliance with all Applicable Laws, ordinances, regulations and orders of any governmental authority having jurisdiction thereover, as well as the requirements of insurers of the Premises and the Building. Prior to commencing any such work, if reasonably required by Landlord, Tenant shall purchase, or shall cause Tenant's contractor to purchase, builder's risk insurance in an amount no less than the value of the completed work of alteration, addition or improvement on an all-risk basis, covering all perils then customarily covered by such insurance. In addition, prior to the commencement of any such work which is reasonably estimated to cost more than $50,000.00, if Landlord so requests, Tenant shall furnish to Landlord performance and payments bonds in a form and issued by a surety reasonably acceptable to Landlord in an amount

equal to the cost of such work of alteration, improvement or addition. Tenant shall also reimburse Landlord any and all costs and expenses incurred by Landlord in connection with the construction of the alterations, including, without limitation, utilities, trash removal, and temporary barricades, the review of any plans and specifications or supervision of the construction of the alterations, including, without limitation, architects' and engineering fees and an administrative fee in the amount of five percent (5%) of the costs of construction of the alterations. Notwithstanding anything in this Section 9 to the contrary, upon Landlord's request, Tenant shall remove any contractor, subcontractor or material supplier from the Premises and the Building if the work or presence of such person or entity results in labor disputes in or about the Building or damage to the Premises or the Building. Upon completion of work performed for Tenant, at Landlord's request Tenant shall deliver to Landlord evidence of full payment therefor and full and unconditional waivers and releases of liens for all labor, services and/or materials used. Unless Landlord requires their removal, as set forth above, all alterations, improvements or additions which may be made on the Premises shall become the property of Landlord and remain upon and be surrendered with the Premises at the termination or expiration of the term; provided, however, that Tenant's machinery, equipment and trade fixtures, other than any which may be affixed to the Premises so that they cannot be removed without material damage to the Premises, shall remain the property of Tenant and shall be removed by Tenant. Any property of Tenant not removed hereunder shall be deemed at Landlord's option, to be abandoned by Tenant and Landlord may store such property in Tenant's name at Tenant's expense, and/or dispose of the same in any manner, regardless of the value of said property. Tenant waives to the fullest extent permitted by law the provisions of California Civil Code Sections 1993.03, 1993.06 and 1993.07.

10. **Insurance and Indemnity**.

a. Tenant shall obtain and maintain a policy(ies) of commercial general liability insurance written on an "occurrence" basis, with limits of liability, in the aggregate, of not less than Two Million Dollars ($2,000,000.00). Such policy(ies) shall cover bodily injury, property damage, personal injury, and advertising injury arising out of or relating (directly or indirectly) to Tenant's business operations, conduct, assumed liabilities, or use or occupancy of the Premises or the Property, and shall include all the coverages typically provided by the Broad Form Commercial General Liability Endorsement, including broad form property damage coverage (which shall include coverage for completed operations). Tenant's liability coverage shall further include premises-operations coverage, products liability coverage (if applicable), products-completed operations coverage, and blanket contractual coverage including both oral and written contracts. It is the parties' intent that Tenant's contractual liability coverage provides coverage to the maximum extent possible of Tenant's indemnification obligations under this Lease. Tenant shall also maintain workers' compensation insurance as required by law and employer's liability insurance with limits of no less than One Million Dollars ($1,000,000.00) per occurrence. Tenant's commercial general liability insurance policy shall be endorsed to provide that (1) it may not be cancelled or altered in such a manner as adversely to affect the coverage afforded thereby without thirty (30) days' prior written notice to Landlord (Tenant to provide this endorsement within three (3) weeks of the mutual execution and delivery of this Lease), (2) Landlord and such other parties as Landlord shall indicate are named as additional insured, (3) the insurer acknowledges acceptance of the mutual waiver of claims by Landlord and Tenant pursuant to subsection (b) below, and (4) such insurance is primary with respect to Landlord and that any other insurance maintained by Landlord is excess and noncontributing with such

insurance. If, in the opinion of Landlord's insurance adviser, based on a substantial increase in recovered liability claims generally, the specified amounts of coverage are no longer adequate, within thirty (30) days following Landlord's request, such coverage shall be appropriately increased. Tenant shall also obtain and maintain insurance ("**Personal Property Insurance**") covering leasehold improvements paid for by Tenant and Tenant's personal property and fixtures from to time in, on, or at the Premises, in an amount not less than 100% of the full replacement cost, without deduction for depreciation, providing protection against events protected under "**Special Form**," as well as against sprinkler damage, theft, vandalism, and malicious mischief. Any proceeds from the Personal Property Insurance shall be used for the repair or replacement of the property damaged or destroyed, unless this Lease is terminated under an applicable provision herein. If the Premises are not repaired or restored following damage or destruction in accordance with other provisions herein, Landlord shall receive any proceeds from the Personal Property Insurance allocable to Tenant's leasehold improvements. Tenant shall obtain and maintain business interruption insurance in an amount not less than the greater of Tenant's annual gross revenue or an amount adequate to provide for payment of Base Rent and other amounts due Landlord under this Lease during a one year interruption of Tenant's business by fire or other casualty. Prior to the commencement of the term, Tenant shall deliver to Landlord certificates thereof, and at least thirty (30) days prior to the expiration of such policy or any renewal thereof, Tenant shall deliver to Landlord replacement certificates within a reasonable time thereafter. If Tenant fails to obtain such insurance or to furnish Landlord any such certificates as herein required, Landlord may, at its election, without notice to Tenant and without any obligation so to do, procure and maintain such coverage and Tenant shall reimburse Landlord on demand as additional rent for any premium so paid by Landlord. Tenant shall have the right to provide all insurance coverage required herein to be provided by Tenant pursuant to blanket policies so long as such coverage is expressly afforded by such policies.

b. Landlord hereby waives all claims against Tenant, and Tenant's trustees, and its and their officers, directors, partners, employees, agents and representatives for loss or damage to the extent that such loss or damage is insured against under any valid and collectable insurance policy insuring Landlord or would have been insured against but for any deductible amount under any such policy, and Tenant waives all claims against Landlord including Landlord's trustees, and its and their officers, directors, partners, employees, agents and representatives (collectively, "**Landlord's Parties**") for loss or damage to the extent such loss or damage is insured against under any valid and collectable insurance policy insuring Tenant or required to be maintained by Tenant under this Lease, or would have been insured against but for any deductible amount under any such policy.

c. As insurance is available to protect it, and as long as such waiver does not violate public policy, Tenant hereby waives all claims against Landlord and Landlord's Parties for damage to any property or injury to or death of any person in, upon or about the Premises, the Building or the Property arising at any time and from any cause, and Tenant shall hold Landlord and Landlord's Parties harmless from and defend Landlord and Landlord's Parties against (i) all claims for damage to any property or injury to or death of any person arising in or from the use of the Premises by Tenant, except as to Landlord or any of Landlord's Parties such as is caused by the sole gross negligence or willful misconduct of Landlord or that of Landlord's Parties otherwise entitled to indemnification, or (ii) arising from the negligence or willful misconduct of Tenant, its employees, agents or contractors in, upon or about those portions of the Building other than the Premises. The foregoing indemnity obligation of Tenant shall include attorneys' fees, investigation costs and all other costs and expenses incurred by Landlord or any of Landlord's Parties from the first notice that any claim or demand is to be made or may be made. The provisions of this Section 10 shall survive the expiration or termination of this Lease with respect to any damage, injury or death occurring prior to such time.

11. **Damage or Destruction**.

a. If during the term the Premises are totally or partially destroyed, or any other portion of the Building is damaged in such a way that Tenant's use of the Premises is materially interfered with, from a risk the cost to repair of which is wholly covered by insurance proceeds made available to Landlord for such purpose, Landlord shall proceed with reasonable diligence to repair the damage or destruction and this Lease shall not be terminated; provided, however, that if in the opinion of Landlord's architect or contractor the work of repair cannot be completed in ninety (90) days following such damage or destruction, Landlord may at its election terminate this Lease by notice given to Tenant within thirty (30) days following the event or such longer period as may reasonably be necessary to obtain information from its architect or contractor. Notwithstanding the foregoing, Landlord shall not be obligated to repair or replace any of Tenant's movable furniture, equipment, trade fixtures, and other personal property, nor any above Building standard alterations installed in the Premises by or at the request of Tenant (including those installed by Landlord at Tenant's request, whether prior or subsequent to the commencement of the Term), and no damage to any of the foregoing shall entitle Tenant to any abatement, and Tenant shall, at Tenant's sole cost and expense, repair and replace such items.

b. If during the term the Premises are totally or partially destroyed, or any other portion of the Building is damaged in such a way that Tenant's use of the Premises is materially interfered with, from a risk the cost to repair of which is not wholly covered by insurance proceeds made available to Landlord for repair or reconstruction, Landlord may at its election by notice to Tenant given within thirty (30) days following the event or such longer period as may reasonably be necessary for Landlord to obtain information from its architect or contractor, either restore the Premises or terminate this Lease.

c. In case of destruction or damage which materially interferes with Tenant's use of the Premises, if this Lease is not terminated as above provided, rent shall be abated during the period required for the work of repair based upon the degree of interference with Tenant's use of the Premises. Except for abatement of rent, Tenant shall have no claim against Landlord for any loss suffered by Tenant due to damage or destruction of the Premises or any work of repair undertaken as herein provided. Tenant expressly waives the provisions of Section 1932, Section 1933(4), Section 1941 and Section 1942 of the California Civil Code which are superseded by this Section 11.

12. **Eminent Domain**. If all or any part of the Premises shall be taken as a result of the exercise of the power of eminent domain or sold by Landlord under threat thereof, this Lease shall terminate as to the part so taken as of the date of taking or sale and, in the case of a partial taking, either Landlord or Tenant shall have the right to terminate this Lease as to the balance of the Premises by notice to the other within thirty (30) days after such date if the portion of the Premises taken shall be of such extent and nature as substantially to handicap, impede or impair

Tenant's use of the balance of the Premises for Tenant's purposes. In the event of any taking or such sale, Landlord shall be entitled to any and all compensation, damages, income, rent, awards, or any interest therein whatsoever which may be paid or made in connection therewith, and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease or otherwise. In the event of a partial taking of the Premises which does not result in a termination of this Lease, the monthly rental thereafter to be paid shall be equitably reduced on a rentable square footage basis.

13. **Assignment and Subletting**.

a. Except as otherwise expressly permitted in this Lease, Tenant shall not, without Landlord's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed), directly or indirectly either make or permit any of the following (an "**Assignment**"): an assignment of all or any portion of Tenant's interest in this Lease; a sublease of all or any portion of the Premises; a sale, assignment, pledge or other transfer of shares of stock or other ownership interests in Tenant or any guarantor of this Lease resulting in a change in the effective control of Tenant or the guarantor (except that the sale of stock of a corporation that is the Tenant or a guarantor shall not constitute an Assignment if the stock of such corporation is, both before and after the sale, traded on a national securities exchange registered with the United States Securities and Exchange Commission); a hypothecation, mortgage, pledge or other grant of a security interest in this Lease; or an attachment, execution or other lien upon Tenant's rights or interest under this Lease. In the event of any Assignment made in accordance with the provisions of this Lease, Tenant shall remain primarily liable, and not merely as a surety, for payment of the Base Rent and additional rent and performance of the other obligations on the part of the Tenant to be performed under this Lease. The voluntary or other surrender of this Lease by Tenant, or the mutual cancellation or termination hereof by Tenant and Landlord, shall not work a merger but shall, at the option of Landlord, either terminate any and all existing franchises, concessions, licenses, subleases and other operating arrangements or operate as an assignment to Landlord of the same.

b. Landlord's consent shall not be unreasonably withheld to an assignment of Tenant's entire interest in this Lease or a sublease of the Premises or any portion thereof, upon the terms and conditions set forth in this Section. Should Tenant desire to enter into such an assignment or sublease, Tenant shall request Landlord's consent in writing at least thirty (30) days before the proposed effective date of the assignment or sublease, providing the following: (i) the full particulars of the proposed assignment or sublease, including its nature, effective date, terms and conditions, and copies of any offers, draft or final leases or subleases, letters of commitment or intent and other documents pertaining to the proposed transfer; (ii) a description of the identity, net worth and previous business experience of the proposed transferee, including (without limitation) copies of current, audited (if available) financial statements of the proposed transferee, including an income, balance sheet and changes in financial position statements (with accompanying notes and disclosures of all material changes thereto), together with a certification of the proposed transferee as to the accuracy of such financial statements and the absence of any material changes therein between the date thereof and the date of the request for consent to the transfer (or setting forth in detail the nature of any material changes); and (iii) any further information relevant to the proposed transfer which Landlord shall reasonably request after receipt of Tenant's request for consent.

c. Without limitation as to other reasonable grounds for declining consent, Tenant acknowledges that it shall be reasonable for Landlord to decline to consent to any proposed Assignment if: (i) (A) with respect to an assignment of the Lease (where Landlord agrees in writing to release Tenant from further liability under the Lease), the financial statements disclose that the proposed transferee has a net worth less than that of Tenant as of the date of Tenant's request for Landlord's approval of the assignment, or (B) with respect to an assignment of the Lease or sublease of more than 50% of the rentable square footage of the Premises (where Tenant remains liable under the Lease), the financial statements disclose that the proposed transferee does not have a commercially reasonable expectation of financial strength necessary to pay its debts as they become due; (ii) the proposed transferee or an affiliated party has been negotiating with Landlord to lease space in the Building during the preceding six (6) months; (iii) the proposed transferee is a governmental agency or instrumentality; (iv) at the time consent is requested or, at Landlord's option, at any time thereafter and prior to the effective date of the transfer, Tenant is in default under this Lease beyond any applicable notice and cure period, or (v) the assignment or subletting would increase the operating costs for the Building or the burden on the Building services, or generate additional foot traffic, elevator usage or security concerns in the Building, or create an increased probability of the comfort and/or safety of Landlord and other tenants in the Building being compromised or reduced. Tenant agrees to pay to Landlord the amount of Landlord's cost of processing every proposed Assignment (including, without limitation, the attorneys' and accounting and other professional fees and costs not to exceed $3,000.00 in the aggregate), and the amount of all direct expenses incurred by Landlord arising from any transferee taking occupancy (including, without limitation, expenses associated with signage, freight elevator operation for moving furnishings and trade fixtures, security service, janitorial and cleaning service and rubbish removal service).

d. No permitted assignment or subletting by Tenant shall be effective until there has been delivered to Landlord a fully executed counterpart of the assignment or sublease which expressly provides that (i) the assignee or subtenant may not further assign this Lease or the sublease, as applicable, or sublet the Premises or any portion thereof, without Landlord's prior written consent (which, in the case of a further assignment proposed by an assignee of this Lease, shall not be unreasonably withheld, subject to Landlord's rights under the provisions of this Paragraph 13, and in the case of a subtenant's assignment of its sublease or further subletting of its subleased premises or any portion thereof, may be withheld in Landlord's reasonable discretion), (ii) the assignee or subtenant will comply with all of the provisions of this Lease, and Landlord may enforce the Lease provisions directly against such assignee or subtenant, (iii) in the case of an assignment, the assignee assumes all of Tenant's obligations under this Lease arising on or after the date of the assignment, and (iv) in the case of a sublease, the subtenant agrees to be and remain jointly and severally liable with Tenant for the payment of rent pertaining to the sublet space in the amount set forth in the sublease, and for the performance of all of the terms and provisions of this Lease applicable to the sublet space. In addition to the foregoing, no assignment or sublease by Tenant shall be effective until there has been delivered to Landlord a fully executed counterpart of Landlord's consent to assignment or consent to sublease form.

e. In the event that Landlord shall consent or agree to any Assignment, Tenant shall pay to Landlord an amount equal to fifty percent (50%) of all Bonus Rent (as defined below) received by Tenant directly or indirectly in respect of the Assignment. For this purpose, "**Bonus Rent**" shall mean, in the case of a sublease, all consideration so received in excess of the rent and charges reserved under this Lease and, in the case of any other Assignment, all consideration so received, in each case after deducting (on a straight line amortized basis over the term of the sublease or assignment) the reasonable expenses incurred by Tenant for (i) any changes, alterations and improvements (or allowance in lieu thereof) to the Premises in connection with the Assignment, (ii) any brokerage commissions in connection with the Assignment, and (iii) legal fees reasonably incurred in connection with the Assignment. Landlord's share of Bonus Rent shall be paid to Landlord not later than the effective date of the Assignment, except that to the extent Bonus Rent is attributable to sublease payments in excess of the rent reserved hereunder, Tenant shall make payments to Landlord within five (5) business days after receipt of each sublease payment. The assignee or sublessee shall, upon agreeing to be liable to Landlord for the performance of the obligations of the Tenant under this Lease, become jointly and severally liable to Landlord for the payment of Landlord's share of Bonus Rent. Upon Landlord's request, Tenant shall provide Landlord with a detailed written statement of all sums payable by the assignee or subtenant to Tenant so that Landlord can determine the total sums, if any, due from Tenant to Landlord under this Section 13.e.

f. Upon any request by Tenant for Landlord's consent to an Assignment, Landlord may elect by written notice given at any time within thirty (30) days following receipt of such request (together with any further information requested by Landlord as provided above), to terminate this Lease, in which event the Term shall end and terminate on the ninetieth (90th) day following such written election of Landlord, in the same manner as if such termination date had been designated as the Lease Expiration Date, and Landlord and Tenant shall upon such termination date be released from any and all liabilities thereafter accruing hereunder.

g. The voluntary or other surrender of this Lease by Tenant, the mutual cancellation thereof or the termination of this Lease by Landlord as a result of Tenant's default shall, at the option of Landlord, terminate all or any existing subtenancies or may, at the option of Landlord, operate as an assignment to Landlord of any or all of such subtenancies.

h. Notwithstanding anything to the contrary contained in this Lease, Landlord's consent shall not be required (and an Assignment shall not be deemed to have occurred), for an assignment or subletting of all or a portion of the Premises: (a) to a corporation or other business entity ("successor corporation") into or with which Tenant shall be merged or consolidated, or to which substantially all of the assets of Tenant may be transferred, and provided that the successor corporation shall assume in writing all of the obligations and liabilities of Tenant under this Lease; (b) to a corporation or other business entity (herein sometimes referred to as a "related corporation") which shall control, be controlled by or be under common control with Tenant; or (c) resulting from a sale or other transfer of shares of stock or other ownership interests in Tenant resulting in a change in the effective control of Tenant or the guarantor (any such assignee or sublessee described in items (a), (b) and (c) of this Section hereinafter referred to as a "**Permitted Transferee**"), provided that (i) Tenant notifies Landlord of any such assignment or sublease at least fifteen (15) days prior the proposed effective date of the Assignment, and promptly supplies Landlord with any documents or information reasonably requested by Landlord regarding such transfer or transferee as set forth above, (ii) such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease, it being understood that such Transferee shall thereafter become liable under this Lease, on a joint and several basis, with Tenant, (iii) any transferee under this Section shall be of a character and reputation consistent with

the quality of the Building, (iv) in the case of an assignment where there is a successor entity to the Original Tenant, such successor entity or related entity, as applicable, together with the Original Tenant (as defined below) if Original Tenant is a surviving entity and remains liable under this Lease, shall have a tangible net worth, computed in accordance with generally accepted accounting principles, at least equal to that as Original Tenant as of the date of this Lease, and (v) in the case of a deemed assignment where there is not a successor entity (including, without limitation, in the case of clause (c) above), the Original Tenant, after giving effect to the transaction, shall have a tangible net worth, computed in accordance with generally accepted accounting principles, at least equal to that as Original Tenant as of the date of this Lease. "**Control**," as used in this Section shall mean the ownership, directly or indirectly, of at least fifty-one percent (51%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of at least fifty-one percent (51%) of the voting interest in, any person or entity.

14. **Default by Tenant**. Any of the following events shall constitute events of default under this Lease:

a. a default by Tenant in the payment of any rent or other sum payable hereunder when due, and for the first instance during any calendar year during the Term, such failure is not cured within five (5) business days after delivery of notice to Tenant from Landlord specifying such failure to pay (and after any such notice is given any failure by Tenant in such calendar year to pay any rent or other sum payable hereunder when due shall itself constitute an event of default, without the requirement of notice from Landlord of such failure);

b. a default by Tenant in the performance of any of the other terms, covenants, agreements or conditions contained herein and the continuation of such default for a period of twenty (20) days after notice by Landlord, provided, however, that if the nature of Tenant's obligation is such that more than twenty (20) days are required for performance, then Tenant shall not be in default if Tenant commences performance within such twenty (20) day period and thereafter diligently prosecutes the same to completion;;

c. if Tenant is adjudicated a bankrupt; or if a permanent receiver is appointed for Tenant's Property and such receiver is not removed within thirty (30) days after written notice from Landlord to Tenant to obtain such removal; or if, whether voluntarily or involuntarily, Tenant takes advantage of any debtor relief proceedings under any present or future law, whereby the Rent or any part thereof, is, or is proposed to be, reduced or payment thereof deferred; or if Tenant's effects should be levied upon or attached and such levy or attachment is not satisfied or dissolved within thirty (30) days after written notice from Landlord to Tenant to obtain satisfaction thereof; or

d. the abandonment of the Premises pursuant to Section 1951.3 of the California Civil Code.

Any notice given by Landlord pursuant to this Section or any other provision of this Lease may be the notice required or permitted pursuant to Section 1161 et seq. of the California Code of Civil Procedure or successor statutes, and the provisions of this Lease shall not require the giving of a notice in addition to such statutory notice to terminate this Lease and Tenant's right to possession of the Premises. The periods herein specified within which Tenant is permitted to cure any default following notice from Landlord shall run concurrently with any cure period provided by Applicable Laws.

15. **Landlord's Remedies**.

a. Upon the occurrence of any event of default by Tenant hereunder, Landlord may, at its option and without any further notice or demand, in addition to any other rights and remedies given hereunder or by law, (i) terminate this Lease and to reenter the Premises and take possession thereof and remove all persons therefrom, and Tenant shall have no further claim thereon or hereunder, or (ii) continue this Lease in effect and enforce all its rights and remedies under California Civil Code Section 1951.4. Any notice given by Landlord pursuant to this Section may be the notice required or permitted pursuant to Section 1161 et seq. of the California Code of Civil Procedure or successor statutes, and the provisions of this Lease shall not require the giving of a notice in addition to such statutory notice to terminate this Lease and Tenant's right to possession of the Premises. The periods herein specified within which Tenant is permitted to cure any default following notice from Landlord shall run concurrently with any cure period provided by Applicable Laws.

b. In the event of any re-entry or taking possession of the Premises, Landlord shall, in addition to its other rights and remedies under this Lease and Applicable Laws, have the right, but not the obligation, to remove therefrom all or any part of the personal property located therein and may place the same in storage at a public warehouse at the expense and risk of Tenant.

c. Notwithstanding any other provisions of this Section, Landlord agrees that if the default complained of, other than for the payment of monies, is of such a nature that the same cannot be rectified or cured within the period requiring such rectification or curing as specified in the written notice relating thereto, then such default shall be deemed to be rectified or cured if Tenant within such period shall have commenced the rectification and curing thereof and shall continue thereafter with all due diligence to cause such rectification and curing and does so complete the same with the use of such diligence as aforesaid.

d. Should Landlord elect to terminate this Lease by reason of Tenant's default, Landlord may recover damages from Tenant as provided in California Civil Code Section 1951.2 or any other applicable existing or future law providing for recovery of damages for such breach, including, but not limited to, the following:

(i) The Worth at the Time of Award of the unpaid Base Rent and additional rent which had been earned at the time of termination; plus

(ii) The Worth at the Time of Award of the amount by which the unpaid Base Rent and additional rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iii) The Worth at the Time of Award of the amount by which the unpaid Base Rent and additional rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; plus

(iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to, any cost or expenses incurred by Landlord in (1) retaking possession of the Premises, including reasonable attorneys' fees therefor, (2) maintaining or preserving the Premises after such default, (3) preparing the Premises for reletting to a new tenant, including repairs or alterations to the Premises for such reletting, (4) leasing commissions and attorneys' fees incurred in connection with any re-letting, or (5) any other costs necessary or appropriate to relet the Premises; plus

(v) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the laws of the State of California.

As used in subsections (d)(i) and (ii) above, the "**Worth at the Time of Award**" shall be computed by allowing interest at the Interest Rate herein specified. As used in subsection (d)(iii) above, the "Worth at the Time of Award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent.

e. The rights and remedies given to Landlord in this Section shall be in addition and supplemental to all other rights or remedies which Landlord may have under laws then in force.

f. The waiver by Landlord of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, or of any right of Landlord to a forfeiture of this Lease by reason of such breach, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. No term, covenant or condition of this Lease shall be deemed to have been waived by Landlord unless such waiver be in writing signed by Landlord.

g. Tenant hereby consents and agrees that the courts of the State of California shall have jurisdiction over its person in actions arising under or relating to this Lease, and Tenant agrees that any action brought by it arising out of or relating to this Lease shall be filed in the State of California.

h. Tenant hereby expressly waives any and all rights of redemption and relief from forfeiture granted by or under any present or future laws in the event of any judgment declaring a forfeiture of or terminating this Lease for any cause, or in the event of Landlord obtaining possession of the Premises by reason of the violation by Tenant of any of the covenants and conditions of this Lease or otherwise.

i. Landlord and Tenant hereby waive their respective right to trial by jury of any cause of action, claim, counterclaim or cross-complaint in any action, proceeding or hearing brought by either Landlord against Tenant or Tenant against Landlord on any matter whatsoever arising out of, or in any way connected with, this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, or any claim of injury or damage, or the enforcement of any remedy under any law, statute or regulation, emergency or otherwise, now or hereafter in effect.

16. **Bankruptcy or Insolvency**. Tenant agrees that in the event, (i) all or substantially all of Tenant's assets are placed in the hands of a receiver or trustee, and such receivership or trusteeship continues for a period of thirty (30) days, (ii) Tenant makes an assignment for the benefit of creditors or is finally adjudicated a bankrupt, (iii) Tenant institutes any proceedings under the Bankruptcy Code as the same now exists or under any amendment thereto which may hereafter be enacted, or under any other act relating to the subject of bankruptcy, including, but not limited to, any proceeding wherein Tenant seeks to be adjudicated a bankrupt, or to be discharged of its debts, or to effect a plan of liquidation, composition, extension or reorganization, or (iv) any involuntary proceeding is filed against Tenant under any such bankruptcy laws and such proceeding not be removed within ninety (90) days thereafter, then this Lease and any interest of Tenant in and to the Premises shall not become an asset in any of such proceedings and, in any such events and in addition to any and all rights or remedies of Landlord hereunder or by law provided, it shall be lawful for Landlord to declare the Term ended and to reenter the Premises and take possession thereof and remove all persons therefrom, and Tenant shall have no further claim thereon or hereunder. Landlord shall also have the rights specified above in this Section in the event that any of the events specified above shall occur in respect of any guarantor of this Lease.

17. **Landlord's Right to Cure Defaults**. If Tenant shall fail to pay any sum of money, other than rental, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder and such failure shall continue for thirty (30) days after notice thereof by Landlord, Landlord may, but shall not be obligated so to do, and without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such other act on Tenant's part to be made or performed as in this Lease provided. All sums so paid by Landlord and all necessary incidental costs shall be deemed additional rent hereunder and shall be payable to Landlord on demand, and Landlord shall have (in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the nonpayment thereof by Tenant as in the case of default by Tenant in the payment of rental.

18. **Default by Landlord**. Landlord shall not be in default under this Lease unless Landlord fails to perform obligations required of Landlord hereunder within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

19. **Security Deposit**. Tenant shall deposit with Landlord upon the execution of this Lease by Landlord and Tenant, at Tenant's option, either an irrevocable standby letter of credit (the "**Letter of Credit**") or cash in the amount set forth in the Basic Lease Information as the "**Security Deposit**" under this Lease. The Security Deposit shall be held by Landlord as security for the performance by Tenant of all its obligations under this Lease. If Tenant fails to pay any Rent due hereunder, or otherwise commits an event of default with respect to any provision of this Lease, Landlord may use, apply or retain all or any portion of the Security Deposit (or make a

draw on the Letter of Credit, if applicable) for the payment of any such Rent or for the payment of any other amounts expended or incurred by Landlord by reason of Tenant's default, or to compensate Landlord for any loss or damage which Landlord may incur thereby (and in this regard Tenant hereby waives the provisions of California Civil Code Section 1950.7 and any similar or successor statute providing that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of Rent, to repair damage caused by Tenant, or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums reasonably necessary to compensate Landlord for any other loss or damage, foreseeable or unforeseeable, caused by the act or omission of Tenant or any officer, employee, agent or invitee of Tenant). Exercise by Landlord of its rights hereunder shall not constitute a waiver of, or relieve Tenant from any liability for, any default. If any portion of the cash then held as a Security Deposit is applied or if any portion of the Letter of Credit posted as the Security Deposit is drawn upon by Landlord for such purposes, Tenant shall within ten (10) business days after written demand therefor deposit cash or a replacement Letter of Credit with Landlord in the amount of the original cash Security Deposit or Letter of Credit, as applicable. Upon receipt of a replacement letter of credit hereunder, Landlord will return the original Letter of Credit to Tenant. Any remaining portion of the cash Security Deposit or the Letter of Credit (after any application of the Security Deposit or draw on the Letter of Credit by Landlord as permitted hereunder) shall be returned to Tenant (or, at Landlord's option, to the last assignee, if any, of Tenant's interest under this Lease) within thirty (30) days after the later of (i) the date of expiration or earlier termination of this Lease, or (ii) vacation of the Premises by Tenant. Upon termination of the original Landlord's (or any successor owner's) interest in the Premises, the original Landlord (or such successor) shall be released from further liability with respect to the Security Deposit upon the original Landlord's (or such successor's) delivery of the cash Security Deposit or Letter of Credit to the successor landlord and compliance with California Civil Code Section 1950.7(d), or successor statute. If the Security Deposit is held in the form of a Letter of Credit, then the provisions of Sections 19.1, 19.2 and 19.3 below shall apply.

Notwithstanding the foregoing, however, provided that no event of default by Tenant under this Lease has occurred on or prior to the expiration of the eighteenth (18th) full calendar month of the Term, then the Security Deposit (or Letter of Credit amount, as applicable) required hereunder shall reduce to $223,743.00 (the "**Reduced Security Deposit Amount**"), and Landlord shall promptly return to Tenant the balance of the Security Deposit which exceeds the Reduced Security Deposit Amount upon Tenant's request therefor; provided, however, that in no event shall any such return be construed as an admission by Landlord that Tenant has performed all of its covenants and obligations hereunder. If the security under this Lease is in the form of a Letter of Credit, and if Tenant is entitled to any such reduction described above, then Landlord shall cooperate in a commercially reasonable manner with Tenant upon Tenant's request to replace or amend the then existing Letter of Credit to reflect the reduced amount of the Letter of Credit.

19.1 Letter of Credit Provisions. The Letter of Credit deposited as a Security Deposit shall be issued by a nationally recognized money-center bank (a bank which accepts deposits, which maintains accounts, which has a local Bay Area office that will negotiate a letter of credit and whose deposits are insured by the FDIC) whose financial strength shall be sufficient to meet liquidity demands with respect to issued letters of credit and which is otherwise acceptable to Landlord. The Letter of Credit shall have an expiration date not earlier than the sixtieth (60th) day after the Lease Expiration Date (or, in the alternative, have a term of not less than one

(1) year and be automatically renewable for an additional one (1) year period unless notice of non-renewal is given by the issuer to Landlord not later than sixty (60) days prior to the expiration thereof) and shall provide that Landlord may make partial and multiple draws thereunder, up to the face amount thereof. The Letter of Credit shall otherwise be in a form and with such content reasonably acceptable to Landlord. Tenant shall either replace the expiring Letter of Credit with another Letter of Credit in an amount equal to the original Letter of Credit or renew the expiring Letter of Credit, in any event no later than thirty (30) days prior to the expiration of the term of the Letter of Credit then in effect. If Tenant fails to deposit a replacement Letter of Credit or renew the expiring Letter of Credit, Landlord shall have the right immediately to draw upon the expiring Letter of Credit for the full amount thereof and hold the funds drawn as the Security Deposit. If Landlord notifies Tenant in writing that the bank which issued the Letter of Credit has become financially unacceptable (e.g., the bank is under investigation by governmental authorities, the bank no longer has the financial strength equivalent to the current financial strength of Bank of America or has filed bankruptcy or reorganization proceedings), then Tenant shall have thirty (30) days to provide Landlord with a substitute Letter of Credit complying with all of the requirements hereof. If Tenant does not so provide Landlord with a substitute Letter of Credit within such time period, then Landlord shall have the right to draw upon the current Letter of Credit and hold the funds drawn as the Security Deposit. The premium or purchase price of, or any other bank fees (including transfer or assignment fees) associated with, such Letter of Credit shall be paid by Tenant. The Letter of Credit shall be transferable (and must permit multiple transfers), irrevocable and unconditional, so that Landlord, or its successor(s) in interest, may at any time draw on the Letter of Credit against sight drafts presented by Landlord, accompanied by Landlord's statement that said drawing is in accordance with the terms and conditions of this Lease; no other document or certification from Landlord shall be required to negotiate the Letter of Credit and the Landlord may draw on any portion of the then uncalled upon amount thereof without regard to and without the issuing bank inquiring as to the right or lack of right of the holder of said Letter of Credit to effect such draws or the existence or lack of existence of any defenses by Tenant with respect thereto. The Letter of Credit shall not be mortgaged, assigned or encumbered in any manner whatsoever by Tenant without the prior written consent of Landlord. The use, application or retention of the Letter of Credit, or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by this Lease or by law, it being intended that Landlord shall not first be required to proceed against the Letter of Credit, and such use, application or retention shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled.

19.2 Independent Contract. Tenant acknowledges and agrees that the Letter of Credit constitutes a separate and independent contract between Landlord and the issuing bank, that Tenant is not a third party beneficiary of such contract, and that Landlord's claim under the Letter of Credit for the full amount due and owing thereunder shall not be, in any way, restricted, limited, altered or impaired by virtue of any provision of the Bankruptcy Code, including, but not limited to, Section 502(b)(6) of the Bankruptcy Code.

19.3 Transfer of the Letter of Credit. The Letter of Credit shall be transferable to any of the following parties: (i) any secured or unsecured lender of Landlord, (ii) any assignee, successor, transferee or other purchaser of all or any portion of the Building, or any interest in the Building, (iii) any partner, shareholder, member or other direct or indirect beneficial owner in Landlord (to the extent of their interest in the Lease). Further, in the event of any sale, assignment

or transfer by the Landlord of its interest in the Premises or the Lease and the assumption of the remaining obligations of landlord under this lease by the transferee, Landlord shall have the right to assign or transfer the Letter of Credit to its grantee, assignee or transferee; and in the event of any sale, assignment or transfer and assumption, the landlord so assigning or transferring the Letter of Credit shall have no liability to Tenant for the return of the Letter of Credit, and Tenant shall look solely to such grantee, assignee or transferee for such return, so long as such grantee, assignee or transferee assumes in writing all of Landlord's obligations with respect to the Letter of Credit. In connection with any such transfer of the Letter of Credit by Landlord, Tenant shall, at Tenant's sole cost and expense, execute and submit to the issuing bank such applications, documents and instruments as may be necessary to effectuate such transfer. The terms of the Letter of Credit shall permit multiple transfers of the Letter of Credit. Tenant shall use it's commercially reasonable efforts to cooperate with Landlord and the bank to effect the transfer(s) of the Letter of Credit and Tenant shall be responsible for all costs of the bank associated therewith.

20. **Estoppel Certificate**. Tenant shall at any time within ten (10) business days following request from Landlord execute, acknowledge and deliver to Landlord a statement certifying the following: (i) that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect); (ii) the date to which the rent, the Deposit, and other sums payable hereunder have been paid; (iii) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults, if any, which are claimed; and (iv) such other matters as may reasonably be requested by Landlord. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Building. Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant: (A) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (B) that there are no uncured defaults in Landlord's performance, and (C) that not more than one month's rent has been paid in advance.

21. **Intentionally Omitted**.

22. **Subordination; Amendment for Lender**.

a. This Lease, at Landlord's option, shall be subordinate to any ground lease, mortgage, deed of trust, or any other hypothecation for security now or hereafter placed upon the Building and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding such subordination, Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant shall pay the rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. If any mortgagee, beneficiary, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust or ground lease, and shall give notice thereof to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust, or ground lease, whether this Lease is dated prior to or subsequent to the date of said mortgage, deed of trust or ground lease or the date of recording thereof. If any mortgage or deed of trust to which this Lease is subordinate is foreclosed or a deed in lieu of foreclosure is given to the mortgagee or beneficiary, Tenant shall attorn to the purchaser at the foreclosure sale or to the grantee under the deed in lieu of foreclosure; if any ground lease to which this Lease is subordinate is terminated, Tenant shall attorn to the ground lessor. Tenant agrees to execute any commercially reasonable documents required to effectuate such subordination or to make this Lease prior to the lien of any mortgage, deed of trust or ground lease, as the case may be, or to evidence such attornment.

b. Within ten (10) business days of Landlord's request therefor, Tenant shall execute and deliver such amendments of this Lease as shall have been required by Landlord's lender in connection with the making of a loan to be secured by the Property, provided such amendment does not increase the obligations of Tenant under this Lease or materially and adversely affect Tenant's leasehold interest.

23. **Attorneys' Fees**. If either party commences an action or proceeding against the other party arising out of or in connection with this Lease, or institutes any proceeding in a bankruptcy or similar court which has jurisdiction over the other party or any or all of its property or assets, the prevailing party in such action or proceeding and in any appeal in connection therewith shall be entitled to have and recover from the unsuccessful party reasonable attorneys' fees, court costs, expenses and other costs of investigation and preparation. If such prevailing party recovers a judgment in any such action, proceeding, or appeal, such attorneys' fees, court costs and expenses shall be included in and as a part of such judgment.

24. **Notices**. All notices, consents, demands and other communications from one party to the other given pursuant to the terms of this Lease shall be in writing and shall be deemed to have been fully given when deposited in the United States mail, certified or registered, postage prepaid, or delivered to a generally recognized overnight courier service, charges prepaid, and addressed as follows: to Tenant at the address specified in the Basic Lease Information or to such other place as Tenant may from time to time designate in a notice to Landlord; to Landlord at the address specified in the Basic Lease Information, or to such other place and with such other copies as Landlord may from time to time designate in a notice to Tenant; or, in the case of Tenant, delivered to Tenant at the Premises. All payments of Base Rent and additional rent to Landlord shall be made at the address specified pursuant to Section 4, except that any Base Rent and additional rent payment following a notice to Tenant of default in partial or full payment of any outstanding amount under this Lease shall be made personally to the address specified in such notice of default, or in such other manner as such notice may direct.

25. **Tenant's Financial Statements**. Within ten (10) business days after Landlord's written request therefor (but not more than once during any 12-month period other than in connection with a sale or refinancing of the Building or an event of default), Tenant shall deliver to Landlord the current financial statements of Tenant, and financial statements of the two (2) years prior to the current financial statements year, including a balance sheet and profit and loss statement for the most recent prior year, all prepared in accordance with accounting principles consistently applied. All such financial statements shall be received by Landlord in confidence and shall be used for the purposes herein set forth.

26. **Prohibited Persons and Transactions**. Tenant represents and warrants to Landlord that it or they are currently in compliance with, and further covenants to Landlord that it or they shall at all times during the Term of the Lease (including any extension thereof) remain in compliance with, the regulations of the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of Treasury (including those named on OFAC's Specially Designated Nationals and Blocked Persons List) and any statute, executive order (including, but not limited to, Executive Order 13224, dated September 24, 2001 and entitled "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism"), or other governmental, regulatory, or administrative action relating thereto.

27. **Parking**. Landlord shall provide Tenant parking, without charge during the Term and any Extended Term, on an unreserved basis in Landlord's parking facilities (the "**Parking Facilities**"). Tenant shall not be permitted to use more than the number of parking spaces set forth in the Basic Lease Information. The use of the Parking Facilities shall be in common with other tenants of the Property upon a first-come, first-served basis and on other reasonable, nondiscriminatory terms and conditions, as may from time to time be established by Landlord. Tenant agrees to cooperate with Landlord and other tenants in the Property in the use of the Parking Facilities. Access to the Parking Facilities shall be subject to control by Landlord. Landlord reserves the right in its discretion to alter, change or improve the Parking Facilities. Landlord shall not be liable to Tenant, nor shall this Lease be affected, if any parking is impaired by moratorium, initiative, referendum, law, ordinance, regulation or order passed, issued or made by any governmental or quasi-governmental body. Landlord assumes no liability for damage or injuries, theft, collision, fire or damage of Tenant, its employees, customers and invitees and/or their vehicles and Landlord shall not be responsible for articles left in vehicles or for damages for loss of use of any vehicle. Tenant waives any and all claims against Landlord for any injury to or death of any person or damage to or destruction of property in or about the Parking Facilities, including, without limitation, loss of use of any one of the Parking Facilities. Tenant shall not park any vehicles overnight at the Building or Property.

28. **Signage**.

a. Landlord shall, at Tenant's sole cost and expense, install (i) a sign identifying Tenant's business at the entrance to the Premises, and (ii) Tenant's name in the lobby directory of the Building; provided that the design, size, color and location of such signage shall be subject to Landlord's prior reasonable approval and consistent with the Building's standard signage criteria. If, subsequent to the time Tenant's name is initially listed on such signage, Tenant requests a change in Tenant's name as printed thereon, Tenant shall pay Landlord's standard charge as in effect from time to time for any such change.

b. **Building-Top Signage**. Subject to the terms of this Section 28.b., as alterations in accordance with Section 9 above, Tenant, at Tenant's sole cost and expense, shall have the right to install building-top signage on the exterior of the Building, identifying the name and/or logo of the Original Tenant (i.e., "Tile, Inc.") or its Permitted Transferee (the "**Building-Top Signage**"). The location, graphics, materials, color, design, lettering, size, quality and specifications of the Building-Top Signage shall be subject to the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. The Building-Top Signage shall also comply with and be subject to all Applicable Laws, including, but not limited to, all requirements of the City of San Mateo ("**City**") (or other applicable governmental authorities); provided, however, that in no event shall the approval by the City (or other applicable governmental authorities) of the Building-Top Signage be deemed a condition precedent to the effectiveness of this Lease, and if such approval is not obtained, Landlord's and Tenant's other obligations under the Lease, as amended hereby, shall not be affected thereby.

Landlord shall, at no cost to Landlord, reasonably cooperate with Tenant in obtaining applicable permits from the City in connection with the installation of the Building-Top Signage. Following the initial construction and installation of the Building-Top Signage, Tenant shall be entitled to modify the name and/or logo for such signage, at Tenant's sole cost and expense, to the new name and/or logo adopted by Original Tenant or its Permitted Transferee, provided that the new name and/or logo shall not be an Objectionable Name or Logo (defined below). "**Objectionable Name or Logo**" shall mean any name or logo which relates to an entity which is of a character or reputation, or is associated with a political orientation or faction, which is inconsistent with the quality of the Building as a first-class office building, or which would otherwise reasonably offend a landlord of the Comparable Buildings (as defined below). Tenant shall, at its sole cost and expense, maintain the Building-Top Signage in good condition and repair. The signage rights granted to Tenant under this Section 28.b. are personal to the Original Tenant and any Permitted Transferee and may only be exercised by the Original Tenant or its Permitted Transferee (and not any other assignee, or any sublessee or other Transferee of the Original Tenant's interest in the Lease). Notwithstanding anything to the contrary contained in this Section 28.b., in no event shall Tenant have any right to the Building-Top Signage if the Original Tenant or its Permitted Transferee is not, at any particular time, leasing and occupying at least 16,738 rentable square footage in the Building (the "**Occupancy Threshold**"). Upon the expiration or earlier termination of this Lease, as amended hereby, or Tenant's right to possession of the Premises, or the earlier termination of Tenant's right to the Building-Top Signage by reason of Tenant's failure to meet the requirements applicable thereto pursuant to this Section 28.b., or by Landlord's written notice to Tenant by reason of Tenant's failure to meet the Occupancy Threshold, Tenant shall remove the Building-Top Signage, at Tenant's sole cost and expense and repair and restore to good condition the areas of the Building on which the Building-Top Signage was located or that was otherwise affected by such signage or the removal thereof, reasonable wear and tear excepted, or at Landlord's election with prior written notice thereof to Tenant at least thirty (30) days prior to the expiration or earlier termination of the Term, Landlord shall perform any such removal and/or repair and restoration and Tenant shall pay Landlord the actual and reasonable cost thereof within thirty (30) days after Landlord's demand.

29. **General Provisions**.

a. This Lease shall be governed by and construed in accordance with the laws of the State of California. Time is of the essence with respect to the performance by Tenant of each and all of its obligations under this Lease. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof. This Lease contains all agreements of the parties with respect to any matter mentioned herein and supersedes any verbal and any prior written understanding, conditions, representations, agreements or covenants, and may be modified in writing only, signed by the parties. No waiver by Landlord of any provision hereof shall be deemed a waiver of any other provision or of any subsequent breach by Tenant of the same or any other provision. Landlord's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's consent to or approval of any subsequent act by Tenant. The acceptance of rent or any partial payment hereunder by Landlord shall not be a waiver of any preceding breach by Tenant of any provision hereof, other than the failure of Tenant to pay the particular rent accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.

b. If Tenant remains in possession of the Premises or any part thereof after the expiration of the term with the consent of landlord, such occupancy shall be a tenancy at sufferance at a rental in the amount of 150% of the last month's Base Rent and additional rent payable under Section 5 above during the Term, plus all other charges payable hereunder, and upon all of the terms hereof. Without limiting the foregoing, Tenant hereby agrees to indemnify, defend and hold harmless Landlord from and against any and all claims, liabilities, actions, losses, damages (including, without limitation, direct, indirect, incidental and consequential) and expenses (including, without limitation, court costs and reasonable attorneys' fees) incurred by or asserted against Landlord and arising directly or indirectly from Tenant's failure to timely surrender the Premises, which obligations shall survive the expiration or termination of the Term.

c. If it is determined that Landlord failed to give its consent or approval where it was required to do so under this Lease, Tenant's sole remedy will be an order of specific performance or mandatory injunction of the Landlord's agreement to give its consent or approval.

d. Subject to the provisions of this Lease restricting assignment or subletting by Tenant, this Lease shall bind the parties, their personal representatives, successors and assigns.

e. Landlord retains and shall have the rights set forth below, exercisable without notice and without liability to Tenant for damage or injury to property, person or business and without effecting an eviction, constructive or actual, or disturbance of Tenant's use or possession of the Premises or giving rise to any claim for rent abatement: (i) to grant to anyone the exclusive right to conduct any business or render any service in or to the Building and its tenants, provided that such exclusive right shall not operate to require Tenant to use or patronize such business or service or to exclude Tenant from its use of the Premises expressly permitted herein; (ii) to perform, or cause or permit to be performed, at any time and from time to time, including during Normal Office Hours, construction in the common areas and facilities or other leased areas in the Property; and (iii) to reduce, increase, enclose or otherwise change at any time and from time to time the size, number, location, lay-out and nature of the common areas and facilities and other tenancies and premises in the Property and to create additional rentable areas through use or enclosure of common areas; provided, however, in each case Landlord shall use commercially reasonable efforts not to interfere with Tenant's use and occupancy of the Premises. Landlord reserves the right to change the name of the Building at any time in its sole discretion by written notice to Tenant and Landlord shall not be liable to Tenant for any loss, cost or expense on account of any such change of name.

f. Tenant shall not record in any public records any memorandum or any portion of this Lease.

g. Upon not less than twenty-four (24) hours advance notice to Tenant (except in an emergency), Landlord and Landlord's agents shall have the right to enter the Premises at reasonable times for the purpose of inspecting the same, showing the same to prospective purchasers or lenders, and making such alterations, repairs, improvements or additions to the Premises or to the Building as Landlord may deem necessary or desirable.

h. If Tenant is a corporation, each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of the corporation in accordance with a duly adopted resolution of the Board of Directors and that this Lease is binding upon the corporation in accordance with its terms.

i. The term "**Landlord**" as used herein means the then owner of the Building and in the event of a sale of the Building the selling owner shall be automatically relieved of all obligations of Landlord hereunder, except for acts or omissions of Landlord theretofore occurring; provided, however, that the transferee has assumed the obligations under the Lease.

j. Any liability which may arise as a consequence of the execution of this Lease by or on behalf of Landlord shall be a liability of Landlord and not the personal liability of any partner, shareholder, owner, member, officer, director, agent, trustee, employee or beneficiary of Landlord. Notwithstanding anything to the contrary set forth in this Lease, Tenant agrees that there shall be absolutely no personal liability on the part of Landlord (or against the constituent shareholders, partners, members, or other owners of Landlord, or the directors, officers, employees and agents of Landlord or such constituent shareholder, partner, member or other owner) with respect to any of the obligations of Landlord under this Lease, and Tenant shall look solely to the equity, if any, of Landlord in the Building, and rents and insurance proceeds, for the satisfaction of any liability of Landlord to Tenant. Tenant's exculpation of personal liability of Landlord is absolute and without any exception whatsoever. Notwithstanding any other provision of this Lease, Landlord shall not be liable for any consequential damages or interruption or loss of business, income or profits, or claims of constructive eviction, nor shall Landlord be liable for loss of or damage to artwork, currency, jewelry, bullion, unique or valuable documents, securities or other valuables, or for other property not in the nature of ordinary fixtures, furnishings and equipment used in general administrative and executive office activities and functions.

k. Landlord does not grant to Tenant in this Lease any exclusive right except the right to occupy its Premises.

l. Tenant warrants that it has had no dealings with any real estate broker or agent other than the Broker(s) identified in the Basic Lease Information in connection with the Premises or this Lease. Tenant shall indemnify Landlord and hold it harmless from and against all claims, demands, costs or liabilities (including, without limitation, attorneys' fees) asserted by any party other than such Broker(s) based upon dealings of that party with Tenant in connection with the Premises or this Lease. Landlord shall pay a commission to the Broker(s) identified in the Basic Lease Information pursuant to a separate agreement.

m. Submission of this instrument for examination and signature by Tenant does not constitute an offer to lease or a reservation of or option for lease, and is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

n. This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which counterparts, when taken together, shall be deemed to constitute one and the same instrument. Landlord and Tenant agree that facsimile and electronic signatures (e.g. DocuSign or similar electronic signature technology) may be used in place of original signatures on this Lease. All parties to this Lease intend to be bound by the signatures on the faxed, electronic or e-mailed document, are aware that the other party or parties will rely on the faxed, electronic or e-mailed signatures, and hereby waive any defenses to the

enforcement of the terms of this Lease based on the form of signature. Copies of such executed counterparts may be delivered by the parties hereunder by electronic means, including by facsimile or electronic mail transmission to the number or address provided by each such party for such delivery, and, upon confirmation of receipt of such delivery, such electronic copies shall have the same effect as the delivery of counterparts bearing original ink signatures of the parties hereto. The parties further agree that after execution this Lease, it may be maintained in electronic form and that such electronic record shall be valid and effective to bind the party so signing as a paper copy bearing such party's hand-written signature

30. **Exhibits**. This Lease and the following exhibits and attachments constitute the entire agreement between the parties and supersede all prior agreements and understandings related to the Premises, including all lease proposals, letters of intent and other documents: Exhibit A (Premises), Exhibit B (Rules and Regulations), Exhibit C (Work Letter Agreement), Exhibit D (Option to Extend), Exhibit E (Expansion Option) and Exhibit F (Expansion Spaces).

[Signatures to appear on the following page]

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first set forth above.

LANDLORD:

1900 ATRIUM ASSOCIATES LP,
a Delaware limited partnership

By: Seagate Atrium GP, LLC,
a Delaware limited liability company,
its general partner

By: /s/ Willis K. Polite, Jr.
Willis K. Polite, Jr.
President

TENANT:

TILE, INC,
a Delaware corporation

By: _____
Name: _____
Its: _____

By: /s/ Charles J. Prober
Name: Charles J. Prober
Its: CEO

Exhibit 10.32

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (the "**First Amendment**") is entered on August 18, 2020 (the "**Reference Date**"), by and between **1900 ATRIUM ASSOCIATES, LP,** a Delaware limited partnership ("**Landlord**"), and **TILE, INC**., a Delaware corporation ("**Tenant**"), whose address for purposes of this First Amendment is 1900 S. Norfolk Street, Suite 310, San Mateo, California.

RECITALS

This First Amendment is made with reference to the following facts and objectives:

A. Landlord and Tenant entered into an Office Lease agreement (the "**Original Lease**"), dated as of September 12, 2019, pursuant to which Tenant leases from Landlord and Landlord leases to Tenant approximately sixteen thousand seven hundred thirty-eight (16,738) rentable square feet ("**RSF**") of space located on the third (3rd) floor of that building in Suite 310 (the "**Premises**") located at 1900 South Norfolk Street, San Mateo, California (the "**Building**").

B. Tenant is presently experiencing a hardship with the Covid-19 mandate.

C. The parties desire to amend the Original Lease to, among other things, apply a portion of the Security Deposit toward Base Rent, all as set forth herein below.

AGREEMENT

NOW, therefore, in consideration of the mutual covenants and promises set forth in this Amendment and other valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties do hereby agree as follows:

1. RECITALS. The Recitals stated above are hereby ratified by Landlord and Tenant as being true and correct and are incorporated herein as set forth in full.

2. DEFINED TERMS. Each initially capitalized term used in this First Amendment shall have the same meaning ascribed to such term in the Original Lease, except as otherwise specifically set forth in this First Amendment.

3. LEASE. The Original Lease and this First Amendment collectively, shall be the "**Lease**".

4. EFFECTIVE DATE. September 1, 2020 (the "**First Amendment Effective Date**").

5. SECURITY DEPOSIT: Landlord and Tenant hereby acknowledge that Landlord presently holds a Security Deposit in the amount of Two Hundred Ninety-Eight Thousand Three Hundred Twenty-Four ($298,324) Dollars (the "**Deposit**"). Pursuant to Section 19 of the Original Lease and effective March 31, 2021, Tenant is entitled to a reduction of the Deposit in the amount of Seventy-Four Thousand Five Hundred Eighty-One ($74,581) Dollars (the "**Original Lease Deposit Refund**"). Notwithstanding anything contrary to this Paragraph 5, as of the First Amendment Effective Date, Landlord agrees to

grant Tenant its Original Lease Deposit Refund, in addition, Landlord agrees to return to Tenant an additional Twenty Three Thousand Four Hundred Nineteen ($23,419) Dollars from the Deposit (the "**First Amendment Deposit Refund**"). The Original Lease Deposit Refund and the First Amendment Deposit Refund combined totals Ninety-Eight Thousand ($98,000) Dollars (the "**Deposit Credit**"). Landlord and Tenant agree, the Deposit Credit shall be applied as a credit to partially offset the Monthly Base Rent due during the months of September and October 2020. The Deposit Credit shall only be applied to monthly Base Rent and any and all other Rent due under the Lease shall remain as due and payable pursuant to the provisions of the Lease. Once the Deposit Credit has been applied, the remaining sum of the Security Deposit shall be Two Hundred Thousand Three Hundred Twenty-Four ($200,324) Dollars, which amount shall continue to be held by Landlord as Security Deposit pursuant to the Terms of the Lease.

6. BROKERS. Landlord and Tenant each warrant to the other that there are no claims for brokers' commissions or fees owing in connection with this Lease and each of Landlord and Tenant agree to indemnify the other against any such claims.

7. REPRESENTATIONS and WARRANTIES OF TENANT. As a material inducement to Landlord to enter into this First Amendment, Tenant represents and warrants to Landlord that, as of the date of this First Amendment:

   a. No Defaults. To the best of its knowledge, the Lease is in full force and effect. There are no defaults by Landlord or Tenant under the Lease, and no circumstance has occurred which, but for the expiration of an applicable grace period, would constitute an event of default by Landlord or Tenant under the Lease. Tenant has no defenses or rights of offset under the Lease.

   b. Authority. Tenant has full right, power and authority to enter into this First Amendment, and has obtained all necessary consents and resolutions from its directors required under the documents governing its affairs in order to consummate this transaction, and the persons executing this First Amendment have been duly authorized to do so. The First Amendment and the Lease are binding obligations of Tenant, enforceable in accordance with their terms.

   c. No Assignments. Tenant is the sole lawful Tenant under the Lease, and Tenant has not sublet, assigned or otherwise transferred any of the right, title or interest of Tenant under the Lease or arising from its use or occupancy of the Premises, and no other person, partnership, corporation or other entity has any right, title or interest in the Lease or the Premises, or the right to occupy or use all or any part of the Premises.

8. AMENDMENT TO LEASE. This First Amendment is and shall constitute an amendment to the Lease and shall be effective as of the date of this First Amendment. Except as modified hereby, all of the terms and conditions of the Lease shall remain in full force and effect.

9. EFFECTIVENESS OF LEASE. Except as expressly provided herein, nothing in this First Amendment shall be deemed to waive or modify any of the provisions of the Lease, or any amendment or addendum thereto. In the event of any conflict between the Lease, this First Amendment, or any other amendment or addendum thereof, the document later in time shall prevail. Except as amended herein, the Lease shall remain in full force and effect.

10. SUCCESSORS and ASSIGNS. This First Amendment shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of Landlord and Tenant.

11. COUNTERPARTS. This First Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which counterparts, when taken together, shall be deemed to constitute one and the same instrument. Landlord and Tenant agree that electronic signatures (e.g. DocuSign or similar electronic signature technology) may be used in place of original signatures on this Lease All parties to this First Amendment intend to be bound by the signatures on the electronic or e-mailed document, are aware that the other party or parties will rely on the electronic or e-mailed signatures, and hereby waive any defenses to the enforcement of the terms of this First Amendment based on the form of signature. Copies of such executed counterparts may be delivered by the parties hereunder by electronic means, including by electronic mail transmission to the number or address provided by each such party for such delivery, and, upon confirmation of receipt of such delivery, such electronic copies shall have the same effect as the delivery of counterparts bearing original ink signatures of the parties hereto. The parties further agree that after execution this First Amendment, it may be maintained in electronic form and that such electronic record shall be valid and effective to bind the party so signing as a paper copy bearing such party's hand-written signature.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the date herein blow written.

LANDLORD:

1900 ATRIUM ASSOCIATES, LP
a Delaware limited liability company

By: **SEAGATE ATRIUM GP, LLC**
a Delaware limited liability company
Its: general partner

By: /s/ Willis K. Polite, Jr.
Name: Willis K. Polite, Jr.
Its: President
Date: 8/20/2020

TENANT:

TILE, INC.,
a Delaware corporation

By: /s/ Charles J. Prober
Name: Charles J. Prober
Title: CEO

Date: 8/19/2020

Exhibit 10.33

SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE (the "**Second Amendment**") is entered on January 10, 2022 **(**the **"Reference Date**"), by and between **1900 ATRIUM ASSOCIATES, LP,** a Delaware limited partnership ("**Landlord**"), and **TILE, INC.**, a Delaware corporation ("**Tenant**"), whose address for purposes of this Second Amendment is 1900 S. Norfolk Street, Suite 310, San Mateo, California.

RECITALS

This Second Amendment is made with reference to the following facts and objectives:

A. Landlord and Tenant entered into an Office Lease agreement dated as of September 12, 2019 (the "**Original Lease**"), which was modified y that First Amendment to Lease dated August 18, 2020 (the "First Amendment"), pursuant to which Tenant leases from Landlord and Landlord leases to Tenant approximately sixteen thousand seven hundred thirty-eight (16,738) rentable square feet ("**RSF**") of space located on the third (3rd) floor of that building in Suite 310 (the "**Premises**") located at 1900 South Norfolk Street, San Mateo, California (the "**Building**").

B. The Term of the Lease is presently set to expire on September 30, 2022.

C. The parties desire to amend the Original Lease to, among other things, extend the Term thirteen (13) months, adjust the monthly Base Rent, and provide a three-year option to renew, all as set forth herein below.

AGREEMENT

NOW, therefore, in consideration of the mutual covenants and promises set forth in this Amendment and other valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties do hereby agree as follows:

1. RECITALS. The Recitals stated above are hereby ratified by Landlord and Tenant as being true and correct and are incorporated herein as set forth in full.

2. DEFINED TERMS. Each initially capitalized term used in this Second Amendment shall have the same meaning ascribed to such term in the Original Lease, except as otherwise specifically set forth in this Second Amendment.

3. LEASE. The Original Lease, the First Amendment, and this Second Amendment collectively, shall be the "**Lease**".

4. EFFECTIVE DATE. October 1, 2022 (the "**Second Amendment Effective Date**").

5. EXTENDED TERM. As of the Second Amendment Effective Date, the Term of the Lease shall be extended for thirteen (13) additional months commencing October 1, 2022 and expiring October 31, 2023 (the "**Second Amendment Term**") All references in the Lease to the "Term" shall mean the term as extended by this Second Amendment, and all references to the Lease expiration date shall be October 31, 2023 (the "**Second Amendment Expiration Date**").

6. ADJUSTED RENT. During the Second Amendment Term, Tenant shall pay to Landlord the monthly sum of Sixty-Nine Thousand Four Hundred Sixty-Three ($69,463) Dollars of Base Rent in accordance with the provisions of the Original Lease. Notwithstanding anything in this Paragraph 6 of the Second Amendment to the contrary and so long as Tenant is not in default under this Lease, as a concession to Tenant, Landlord hereby grants to Tenant a credit in the amount of Sixty-Nine Thousand, Four Hundred Sixty-Three ($69,463) Dollars (the **"Rent Credit**") to be applied against the installment of Base Rent due for the first (1st) month of the Second Amendment Term (as defined herein). Upon any termination by Landlord of the Lease or Tenant's right to possess the Premises due to an "**Event of Default**" (as defined in Section 14 of the Original Lease), Tenant shall be obligated to immediately pay to Landlord the unamortized portion of the Rent Credit.

7. OPTION TO EXTEND. Tenant shall continue to have the Option to extend the Lease for a period of either one (1) or three (3) years at Tenant's option and pursuant to the provisions of Exhibit D of the Lease agreement.

8. SECURITY DEPOSIT. Landlord and Tenant hereby acknowledge that Landlord presently holds a Security Deposit in the amount of Two Hundred Thousand, Three Hundred Twenty-Four ($200,324) dollars, which amount shall continue to be held by Landlord as Security Deposit pursuant to the Terms of the Lease.

9. BROKERS. Landlord shall be responsible for paying a leasing commission to Jones Lange LaSalle ("**Tenant's Broker**") and to Cushman & Wakefield ("**Landlord's Broker**") for the Second Amendment Term. Except for Tenant's Broker and Landlord's Broker, Landlord and Tenant each warrant to the other that there are no other claims for brokers' commissions or fees owing in connection with this Lease and each of Landlord and Tenant agree to indemnify the other against any such claims.

10. REPRESENTATIONS AND WARRANTIES OF TENANT. As a material inducement to Landlord to enter into this Second Amendment, Tenant represents and warrants to Landlord that, as of the date of this Second Amendment:

(a) No Defaults. To the best of its knowledge, the Lease is in full force and effect. There are no defaults by Landlord or Tenant under the Lease, and no circumstance has occurred which, but for the expiration of an applicable grace period, would constitute an event of default by Landlord or Tenant under the Lease. Tenant has no defenses or rights of offset under the Lease.

(b) Authority. Tenant has full right, power and authority to enter into this Second Amendment, and has obtained all necessary consents and resolutions from its directors required under the documents governing its affairs in order to consummate this transaction, and the persons executing this Second Amendment have been duly authorized to do so. The Second Amendment and the Lease are binding obligations of Tenant, enforceable in accordance with their terms.

(c) No Assignments. Tenant is the sole lawful Tenant under the Lease, and Tenant has not sublet, assigned or otherwise transferred any of the right, title or interest of Tenant under the Lease or arising from its use or occupancy of the Premises, and no other person, partnership, corporation or other entity has any right, title or interest in the Lease or the Premises, or the right to occupy or use all or any part of the Premises.

11. AMENDMENT TO LEASE. This Second Amendment is and shall constitute an amendment to the Lease and shall be effective as of the date of this Second Amendment. Except as modified hereby, all of the terms and conditions of the Lease shall remain in full force and effect.

12. EFFECTIVENESS OF LEASE. Except as expressly provided herein, nothing in this Second Amendment shall be deemed to waive or modify any of the provisions of the Lease, or any amendment or addendum thereto. In the event of any conflict between the Lease, this Second Amendment, or any other amendment or addendum thereof, the document later in time shall prevail. Except as amended herein, the Lease shall remain in full force and effect.

13. SUCCESSORS AND ASSIGNS. This Second Amendment shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of Landlord and Tenant.

14. COUNTERPARTS. This Second Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which counterparts, when taken together, shall be deemed to constitute one and the same instrument. Landlord and Tenant agree that electronic signatures (e.g. DocuSign or similar electronic signature technology) may be used in place of original signatures on this Lease All parties to this Second Amendment intend to be bound by the signatures on the electronic or e-mailed document, are aware that the other party or parties will rely on the electronic or e-mailed signatures, and hereby waive any defenses to the enforcement of the terms of this Second Amendment based on the form of signature. Copies of such executed counterparts may be delivered by the parties hereunder by electronic means, including by electronic mail transmission to the number or address provided by each such party for such delivery, and, upon confirmation of receipt of such delivery, such electronic copies shall have the same effect as the delivery of counterparts bearing original ink signatures of the parties hereto. The parties further agree that after execution this Second Amendment, it may be maintained in electronic form and that such electronic record shall be valid and effective to bind the party so signing as a paper copy bearing such party's hand-written signature.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the date herein blow written.

LANDLORD:

1900 ATRIUM ASSOCIATES, LP
a Delaware limited liability company

TENANT:

TILE, INC.,
a Delaware corporation

By: **SEAGATE ATRIUM GP, LLC**
a Delaware limited liability company
Its: general partner

By: /s/ Willis K. Polite, Jr.
Name: Willis K. Polite, Jr.
Its: President

Date: 1/10/2022

By: /s/ Charles J. Prober
Name: Charles J. Prober
Title: CEO

Date: 1/10/2022

Exhibit 10.34

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (this "***Sublease***") is made as of the 9th day of March, 2019 (the "***Effective Date***") by and between **BIN INSURANCE HOLDINGS, LLC**, a Delaware limited liability company ("***Sublessor***") and **JIO, INC.**, a Delaware corporation ("***Sublessee***").

WITNESSETH:

WHEREAS, pursuant to that certain Office Lease Agreement dated May 13, 2013 (the "***Original Lease***"), as amended by that certain First Amendment to Lease dated November 17, 2014 (the "***First Amendment***"), by that certain Second Amendment to Lease dated June 10, 2015 (the "***Second Amendment***"), by that certain Third Amendment to Lease dated October 12, 2015 (the "***Third Amendment***") and by that certain Fourth Amendment to Lease dated February 9, 2018 (the "***Fourth Amendment***", the Original Lease as amended by the First Amendment, Second Amendment, Third Amendment and Fourth Amendment is hereinafter referred to as the "***Lease***") by and between **30 North LaSalle Partners, LLC**, a Delaware limited liability company ("***Lessor***") and Sublessor, Sublessor currently leases approximately 28,250 rentable square feet (the "***Leased Premises***") in that certain office building located at 30 North LaSalle Street, Chicago, Illinois, (the "***Building***"), as more particularly described in the Lease; and

WHEREAS, Sublessor desires to sublet a portion of the Leased Premises containing approximately 3,915 rentable square feet on the 26th Floor of the Building known as Suite 2630 and more particularly depicted on the sketch attached as **Exhibit A** hereto (the "***Sublet Premises***") to Sublessee together with that certain personal property located within the Sublet Premises (the "***Personal Property***") as described on **Exhibit B** attached hereto, upon the terms and conditions contained herein. The Sublet Premises, together with the Personal Property, shall sometimes hereinafter be referred to as the "***Property***".

NOW, THEREFORE, the parties hereto, for themselves and their respective successors and assigns, in consideration of the premises and the covenants hereinafter contained, the receipt and sufficiency of which is hereby acknowledged, do covenant and agree as follows:

1. **Sublease**. Sublessor hereby sublets to Sublessee and Sublessee hereby sublets from Sublessor the Property, together with all the components, parts, additions, accessories, and attachments associated with the Personal Property, upon the terms and conditions set forth herein, and Sublessor also sublets to Sublessee all of Sublessor's rights under the Lease with respect to the Sublet Premises to use in common with all other tenants and occupants of the Building, those areas within the Building used for corridors, foyers, mail rooms, restrooms, vending areas, lobby areas, general office areas, waiting rooms, entrances, exits, sidewalks, pedestrian walkways, driveways, parking areas, landscaped areas, fountains and similar facilities provided for the common use, benefit or support of tenants generally and/or the public.

2. **Term**. The term of this Sublease (the "***Term***") shall commence and Sublessor shall deliver possession of the Property to Sublessee on the date that is the later of (i) March 15, 2019 and (ii) the receipt of Lessor's consent pursuant to Section 33 of this Sublease (the "***Commencement Date***") and end at 11:59 p.m. on December 30, 2023 (the "***Expiration Date***"), unless sooner terminated under the terms of the Lease or this Sublease. Notwithstanding any other

provision hereof, the termination or expiration of the Lease for any reason shall automatically result in the termination of this Sublease immediately upon such termination or expiration of the Lease and, except as otherwise expressly provided herein, the obligations of the parties hereunder to be performed from and after such termination or expiration shall cease as of the date of such expiration or termination of the Lease. Sublessor shall in no event be liable to Sublessee for any loss or damage occasioned by, or resulting from, the expiration or termination of the Lease, unless the Lease is terminated by Lessor as a direct result of any default by Sublessor (after notice and expiration of any applicable cure period) under any provision of the Lease not assumed by Sublessee under this Sublease.

3. **Rent**.

(a) Base Rent. Beginning on the Commencement Date, (the "***Rent Commencement Date***"), Sublessee hereby covenants and agrees to pay Sublessor base rent (the "***Base Rent***") during the Term according to the following schedule:

Time Period	Annual Rate PSF	Annual Base Rent	Monthly Payment
First 90 days following Commencement Date	$ 0	$ 0	$ 0
91st day following Commencement Date to 2/28/20	$ 32.50	$ 127,237.50	$ 10,603.13
3/1/20 – 2/28/21	$ 33.00	$ 129,195.00	$ 10,766.25
3/1/21 – 2/28/22	$ 33.50	$ 131,152.50	$ 10,929.38
3/1/22 – 2/28/23	$ 34.00	$ 133,110.00	$ 11,092.50
3/1/23 – 12/30/23	$ 34.50	$ 135,067.50	$ 11,255.63

Sublessee shall pay to Sublessor the Base Rent in advance, without demand and without abatement, deduction or offset, beginning on the Rent Commencement Date and continuing on or before the first day of each and every calendar month thereafter during the Term. The monthly installments of Rent (as hereinafter defined) for partial calendar months shall be prorated.

(b) Additional Rent. In addition to the payment of Base Rent, commencing on January 1, 2020, Sublessee shall pay to Sublessor, as Additional Rent, the amount by which "Tenant's Pro Rata Share of Taxes and Expenses" (as such term is defined in the Lease) for the Sublet Premises exceeds the Tenant's Pro Rata Share of Taxes and Expenses paid by Sublessor for the Sublet Premises during calendar year 2019. Sublessee shall pay the amount of Tenant's Pro Rata Share of Taxes and Expenses in excess of that paid by Sublessor for calendar year 2019 within ten (10) days after a statement of the same is presented to Sublessee by Sublessor. The installments of Base Rent and Additional Rent for any partial month during the Term of this Sublease shall be prorated based upon the actual number of days in the month in question. Base Rent and Additional Rent are sometimes hereinafter referred to as "***Rent***".

4. **Security Deposit**. On or before the Effective Date, Sublessee shall deposit with Sublessor the sum of $33,277.50 in the form of cash as a security deposit (the "***Security Deposit***") to secure performance of Sublessee's obligations under this Sublease during the Term. If Sublessee fails to pay Rent or other sums when due, the Security Deposit may, at Sublessor's option, be applied to such unpaid amounts. If the Security Deposit is drawn against in whole or in

part, Sublessee shall restore the Security Deposit to its original amount within five (5) business days of written request by Sublessor. The Security Deposit (or an accounting thereof) shall be returned to Sublessee within thirty (30) days after termination or expiration of this Sublease and surrender of the Sublet Premises by Sublessee in accordance with the terms of this Sublease, less lawful deductions for damages and other sums due under this Sublease. The Security Deposit shall not be considered an advance payment of rental or a measure of Sublessor's damages in case of default by Sublessee.

5. **Use, Sublease and Assignment**. Sublessee shall not have the right to use the Sublet Premises for any purpose other than those uses permitted under the Lease. Sublessee shall not (a) permit any transfer by operation of law, bankruptcy, or otherwise of Sublessee's interest in the Sublet Premises, or (b) assign this Sublease or sub-sublet the Sublet Premises, or any portion thereof, without in each case first obtaining the written consent of Sublessor, which consent shall not be unreasonably withheld, conditioned or delayed. Any such sub-sublease or assignment must comply with the terms of the Lease and is subject to Lessor's consent.

6. **Personal Property Use**. Sublessee shall have the right to use the Personal Property subleased hereunder solely at the Sublet Premises, and shall not relocate the Personal Property from the Sublet Premises. Such Personal Property is subleased to Sublessee in its present condition, **AS IS** and with no warranties, express or implied.

7. **Additional Services**. If, under any provision of the Lease, any Rent or other charge shall be payable by Sublessor to Lessor because of extra services ordered by or activities undertaken by or on behalf of Sublessee with respect to the Property or on account of Sublessee's default hereunder, then Sublessee shall pay to Sublessor such additional charge within ten (10) days of demand by Sublessor. Sublessee hereby agrees that any and all such requests for extra services and/or activities for the benefit of Sublessee shall be made by Sublessee in writing to Lessor, with a copy to Sublessor. In no event shall Sublessor be responsible for any matter associated with the provision, or lack of provision, of any such extra services or activities, provided that upon request by Sublessee, Sublessor shall use commercially reasonable efforts to assist Sublessee, as necessary, in obtaining such services from Lessor.

8. **Alterations**.

(a) Notwithstanding anything in the Lease to the contrary, Sublessee shall not make or suffer to be made any alterations, additions, or improvements to the Sublet Premises, or attach any fixtures or equipment in, on, or to the Sublet Premises or any part thereof ("***Alterations***"), without the prior written consent of Sublessor and Lessor. Sublessor shall not withhold, condition or delay its consent unless Lessor withholds its consent. Sublessor shall reasonably cooperate with Sublessee to obtain the consent of Lessor, and any fees billed by Lessor in accordance with the Lease in connection with its review of any plans or request for consent, including, without limitation, any administrative fee, construction management or supervisory fee, and any other fees payable by Sublessor to Lessor in connection with a request to approve Alterations requested by Sublessee, shall be paid by Sublessee within ten (10) days of demand. When applying for such consent, Sublessee shall, at its own expense, if requested by Lessor, furnish complete plans and specifications for such Alterations.

(b) In connection with any Alterations, Sublessee shall comply with all applicable provisions of the Lease in making any such Alterations, as well as any restoration obligations imposed thereunder; and the same shall be constructed in accordance with applicable laws, ordinances, rules and regulations. In addition, prior to construction of any such Alterations, Sublessee shall provide all such assurances to Lessor as Lessor may reasonably require in accordance with the Lease. If Lessor shall so require in accordance with the Lease or as a condition to Lessor's consent to such Alterations, then Sublessee shall be required, at Sublessee's sole cost, to remove any or all of its Alterations and put the Sublet Premises back to its original condition prior to the making of such Alterations before the Expiration Date.

9. **Insurance; Waiver of Subrogation**. Sublessee shall maintain as to the Property, at its sole cost and expense, all of the insurance coverages and in such amounts as are required of Sublessor in the Lease.

10. **Obligations**.

(a) Excluding the matters contained herein which will be governed by this Sublease, Sublessee agrees (i) to be bound by the terms and conditions of the Lease and (ii) to perform Sublessor's obligations (other than Sublessor's obligation under the Lease to pay Base Rent and Tenant's Pro Rata Share of Taxes and Expenses) with respect to the Property as set forth in the Lease with respect to periods on and after the Commencement Date. Sublessor shall in no event be obligated to perform Lessor's obligations under the Lease or to enforce the terms, covenants, obligations and conditions on the part of, or to be performed by, Lessor under the Lease. With respect to the performance of obligations required of Lessor under the Lease, Sublessor's sole obligation with respect thereto shall be to request the same for Sublessee, upon written request from Sublessee, and to use reasonable efforts to obtain the same from Lessor, but in no event shall Sublessor be obligated to incur any expense associated with such effort. Sublessor shall not be liable in damages for or on account of any failure by Lessor to perform the obligations and duties imposed on it under the Lease. No rights or options of Sublessor arising from the Lease are granted or assigned to Sublessee, including, but not limited to, any rights or options to renew, extend, expand, surrender or terminate the Lease, any audit rights, any rights to improvement or other allowances or concessions, any signage rights, any abatements, allowances, credits or allowances of any kind.

(b) Sublessee hereby further agrees that this Sublease is subject and subordinate to the Lease and to any matters to which the Lease is or shall be subordinate. In the event of termination of the Lease, this Sublease shall be deemed automatically terminated. The provisions of this paragraph shall be self-operative and no further instrument shall be required to give effect to this provision.

11. **Condition and Use of the Property; Preparation of Property**.

(a) Sublessee hereby agrees to accept the Property in its "**AS IS**" "**WHERE IS**" condition, "**WITH ALL FAULTS**" associated therewith, and Sublessee agrees that it has inspected the Property and acknowledges that no representations, express or implied, of any kind, with respect to the condition thereof have been made to Sublessee by Sublessor.

(b) Sublessee will not allow the Property to be used for any unlawful, or objectionable purpose. Sublessee shall comply with all applicable laws, ordinances and regulations applicable to the use of the Property and its occupancy and shall promptly comply with all governmental orders and directions for the correction, prevention and abatement of any violations in connection with the Property caused by Sublessee, all at Sublessee's sole expense. Sublessee shall not do or permit anything to be done on or about the Sublet Premises or bring or keep anything in the Sublet Premises which will in any way increase the rate of, invalidate or prevent the procuring of any insurance protecting against loss or damage to the Sublet Premises by fire or other casualty or against liability for damage to property or injury to persons in or about the Sublet Premises any part thereof. Sublessee shall use the Property in a careful, safe and proper manner and shall keep the Property in a neat and sanitary condition and shall not commit or permit any nuisance or waste on or in, or about the Property. Sublessee shall dispose of all debris, trash and waste in compliance with all applicable laws and regulations.

12. **Sublessee Default**. In the event that Sublessee (a) fails to pay any amount due hereunder within five (5) days after written notice from Sublessor that such amount is past due under this Sublease; (b) fails to cure a default of a non-monetary obligation within thirty (30) days after written notice; provided, however, that if the nature of Sublessee's nonperformance is such that more than thirty (30) days are reasonably required for its cure, then Sublessee shall be allowed additional time as is reasonably necessary to cure the failure so long as Sublessee commences such cure within said thirty (30) day period and thereafter diligently pursues such cure to completion; (c) fails to perform any of the Lease obligations with respect to the Property for which Sublessee is responsible pursuant to the terms hereof; (d) fails to vacate and surrender possession of the Sublet Premises upon the Expiration Date or the earlier termination of this Sublease; (e) shall be adjudged bankrupt or insolvent or shall make an assignment for the benefit of creditors; or (f) if a receiver or trustee of Sublessee's property shall be appointed and not discharged within forty five (45) days, such occurrence shall be an event of default (a "***Sublessee Default***") and Sublessor shall have any and all rights and remedies set forth in Section 13 hereof, in addition to all rights and remedies available to it at law and equity, including the rights of Lessor for a default by Sublessor under the Lease.

13. **Sublessor Remedies Upon Sublessee Default**.

(a) In connection with a Sublessee Default, Sublessor shall have all rights and remedies of Lessor set forth in the Lease as against Sublessee, as if Sublessee were the lessee under the Lease, and such rights as may be available at law or in equity. In addition to such rights and remedies, and notwithstanding any such rights and remedies which may be contrary to those of Lessor in the Lease, upon the occurrence of any such Sublessee Default, Sublessor shall have the option to pursue any one or more of the following remedies concurrently or consecutively and not alternatively:

(i) Sublessor may, at its election, terminate this Sublease or terminate Sublessee's right to possess the Property without terminating this Sublease. Notwithstanding any election to continue this Sublease in effect, Sublessor may at any time thereafter elect to terminate this Sublease or in any other manner exercise its rights and remedies for Sublessee's default.

(ii) Upon any termination of this Sublease, whether by lapse of time or otherwise, or upon any termination of Sublessee's right to possession without termination of this Sublease, Sublessee shall surrender possession and vacate the Property immediately, and deliver possession thereof to Sublessor.

(iii) Upon Sublessee's failure to vacate and surrender possession of the Property upon the expiration of the Term or the earlier termination of this Sublease, Sublessor may alter any and all locks and other security devices at the Sublet Premises, and if it does so, Sublessor shall not be required to provide a new key or other access right to Sublessee unless Sublessee has cured all Sublessee Defaults; provided, however, that in any such instance, during Sublessor's normal business hours and at the convenience of Sublessor, and upon the written request of Sublessee accompanied by such written waivers and releases as Lessor may reasonably require, Sublessor will escort Sublessee or its authorized personnel to the Sublet Premises to retrieve any personal belongings or other property of Sublessee.

(iv) Upon any termination of this Sublease, whether by lapse of time or otherwise, Sublessor shall be entitled to recover an amount equal to the sum of the cost of performing any covenants which should have otherwise been performed by Sublessee hereunder.

(b) If, on account of any breach or default by Sublessee in Sublessee's obligations under the terms and conditions of this Sublease, it shall become necessary or appropriate for Sublessor to employ or consult with an attorney concerning or to enforce or defend any of Sublessor's rights or remedies arising under this Sublease, Sublessee agrees to pay all Sublessor's reasonable attorney's fees so incurred. **SUBLESSEE EXPRESSLY WAIVES ANY RIGHT TO: (A) SERVICE OF ANY NOTICE REQUIRED BY ANY PRESENT OR FUTURE LAW OR ORDINANCE APPLICABLE TO LESSORS OR LESSEES, BUT NOT REQUIRED BY THE TERMS OF THIS SUBLEASE; AND (B) ASSERT A CLAIM AGAINST SUBLESSOR FOR INDIRECT, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES, INCLUDING LOSS OF PROFITS OR BUSINESS OPPORTUNITY, ARISING UNDER OR IN CONNECTION WITH THIS SUBLEASE**.

(c) Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies provided in this Sublease or any other remedies provided by law or in equity (all such remedies being cumulative), nor shall pursuit of any remedy provided in this Sublease constitute a forfeiture or waiver of any damages accruing to Sublessor by reason of the violation of any of the terms, provisions and covenants contained in this Sublease. In connection with any exercise by Sublessor of the rights provided herein, Sublessee waives all rights of redemption or relief from forfeiture under any other present or future law, in the event Sublessee is evicted or Sublessor otherwise lawfully takes possession of the Sublet Premises by reason of any default by Sublessee.

(d) No act or thing done by Sublessor or its agents during the Term shall be deemed a termination of this Sublease or an acceptance of the surrender of the Property, and no agreement to terminate this Sublease or accept a surrender of the Property shall be valid, unless in writing signed by Sublessor. No waiver by Sublessor of any violation or breach of any of the terms,

provisions and covenants contained in this Sublease shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants contained in this Sublease. Sublessor's acceptance of payments after the occurrence of a Sublessee Default shall not be construed as a waiver of such Sublessee Default, unless Sublessor so notifies Sublessee in writing. Forbearance by Sublessor in enforcing one or more of the remedies provided in this Sublease upon the occurrence of a Sublessee Default shall not be deemed or construed to constitute a waiver of such Sublessee Default or of Sublessor's right to enforce any such remedies with respect to such Sublessee Default or any subsequent Sublessee Default.

(e) Any and all property which may be removed from the Sublet Premises by Sublessor pursuant to the authority of this Sublease, the Lease or of law or in equity, to which Sublessee is or may be entitled, may be handled, removed and/or stored, as the case may be, by or at the direction of Sublessor, but at the risk, cost and expense of Sublessee, and Sublessor shall in no event be responsible for the value, preservation or safekeeping thereof. Sublessee shall pay to Sublessor, upon demand, any and all expenses incurred in such removal and all storage charges against such property so long as the same shall be in Sublessor's possession or under Sublessor's control. Any such property of Sublessee not retaken by Sublessee from storage within ten (10) business days after removal from the Sublet Premises shall, at Sublessor's option, be deemed conveyed by Sublessee to Sublessor under this Sublease as by a bill of sale without further payment or credit by Sublessor to Sublessee.

14. **Indemnification**. To the extent not expressly prohibited by law, and except in the event of Lessor's or Sublessor's or their respective officers', directors', employees', members', managers' or agents' gross negligence or willful misconduct, neither Lessor nor Sublessor nor any of their respective officers, directors, employees, members, managers, or agents shall be liable to Sublessee, or to Sublessee's agents, servants, employees, customers, licensees, or invitees for any injury to person or damage to property caused by any act, omission, or neglect of Sublessee, its agents, servants, employees, customers, invitees, licensees or by any other person entering the Sublet Premises or upon the Building under the invitation of Sublessee or arising out of the use of the Property by Sublessee and the conduct of its business or out of a default by Sublessee in the performance of its obligations hereunder. **SUBLESSEE HEREBY INDEMNIFIES AND HOLDS LESSOR, SUBLESSOR AND THEIR OFFICERS, DIRECTORS, EMPLOYEES, MEMBERS, MANAGERS AND AGENTS ("INDEMNITEES"), HARMLESS FROM ALL LOSSES, COSTS, CLAIMS, LIABILITIES, DAMAGES AND EXPENSES WITH RESPECT TO THE PROPERTY, A PERSON IN OR ON THE BUILDING OR THE SUBLET PREMISES AND THIS INDEMNITY SHALL BE ENFORCEABLE TO THE FULL EXTENT WHETHER OR NOT SUCH LIABILITY AND CLAIMS ARE THE RESULT OF THE SOLE, JOINT OR CONCURRENT ACTS, NEGLIGENT OR INTENTIONAL, OR OTHERWISE, OF SUBLESSEE, OR ITS EMPLOYEES, AGENTS, SERVANTS, CUSTOMERS, INVITEES OR LICENSEES. SUCH INDEMNITY FOR THE BENEFIT OF INDEMNITEES SHALL BE ENFORCEABLE EVEN IF INDEMNITEES, OR ANY ONE OR MORE OF THEM HAVE OR HAS CAUSED OR PARTICIPATED IN CAUSING SUCH LIABILITY AND CLAIMS BY THEIR JOINT OR CONCURRENT ACTS, NEGLIGENT OR INTENTIONAL, OR OTHERWISE, BUT IN SUCH EVENT SUBLESSEE SHALL NOT BE RESPONSIBLE FOR THAT PORTION OF ANY LOSS WHICH IS HELD TO BE CAUSED BY THE NEGLIGENCE OR STRICT LIABILITY OF ONE OR MORE OF THE INDEMNITEES. NOTWITHSTANDING THE TERMS OF THIS SUBLEASE TO THE CONTRARY, THE TERMS OF THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS SUBLEASE**.

15. **Notices**. Any notice, approval, request, consent, bill, statement or other communication required or permitted to be given, rendered or made by either party hereto (provided the parties agree that counsel representing a party to this Sublease shall have the right to deliver notices on behalf of the party represented), shall be in writing and shall be sent to the parties hereto by certified United States mail, postage prepaid, return receipt requested, or a nationally recognized overnight courier with proof of delivery at the following addresses:

Sublessor: BIN Insurance Holdings, LLC
30 North LaSalle Street, Suite 2500
Chicago, Illinois 60602
Attention:_____

Sublessee: **JIO, INC.**
351 W Hubbard Street, Suite 400
Chicago, IL 60654
Attention: John Renaldi

Either Sublessor or Sublessee may, by notice to the other, change the address(es) to which notices are to be sent. All notices shall be deemed effective upon receipt or upon refusal to accept delivery.

16. **Consent**. Sublessee acknowledges that where consent of Lessor is required under the Lease, Sublessor's consent is also required. To the extent that any of the provisions of the Lease conflict with or are inconsistent with the provisions of this Sublease, whether or not such inconsistency is expressly noted herein, the provisions of the Lease, as between Sublessor and Sublessee, shall in all instances prevail over this Sublease.

17. **Access**. Sublessor shall have the right to enter upon or obtain access to the Sublet Premises or any part thereof without charge at all reasonable times upon reasonable prior notice to inspect the Property, or to otherwise exercise or perform any of the rights or obligations of Sublessor under the Lease or this Sublease. At any time during the Term of this Sublease, Sublessor may, at Sublessor's option, enter into and upon the Sublet Premises if Sublessor determines in its sole discretion that Sublessee is not acting within a commercially reasonable time to maintain, repair or replace anything for which Sublessee is responsible under this Sublease, or the Lease, and correct the same after providing not less than five (5) days' prior written notice (except in the event of an emergency, in which event no prior notice shall be required), without being deemed in any manner guilty of trespass, eviction or forcible entry and detainer and without incurring any liability for any damage or interruption of Sublessee's business resulting therefrom, provided that Sublessee shall reimburse Sublessor within ten (10) business days for all costs and expenses incurred by Sublessor in connection therewith.

18. **Intentionally Omitted**.

19. **Severability**. If any term or provision of this Sublease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this

Sublease or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby; and each term and provision of this Sublease shall be valid and be enforceable to the fullest extent permitted by applicable law.

20. **Brokers**. Sublessor and Sublessee each represent and warrant to the other that neither has had any dealings or entered into any agreements with any person, entity, broker or finder other than, MB Real Estate, representing the Sublessor, and Cushman & Wakefield, representing the Sublessee (the "***Disclosed Brokers***") in connection with the negotiation of this Sublease, and no other broker, person, or entity is entitled to any commission or finder's fee in connection with the negotiation of this Sublease. Sublessor and Sublessee each agree to indemnify, defend and hold the other harmless from and against any claims, damages, costs, expenses, attorneys' fees or liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings, actions or agreements of the indemnifying party.

21. **Holdover**. Notwithstanding anything stated in the Lease to the contrary, if Sublessee remains in possession of the Property following the expiration of the Term of this Sublease, Sublessee's tenancy shall be deemed a tenancy at sufferance, subject to all of the terms, conditions, provisions and obligations of this Sublease and the Lease, except that during such period of holdover, the annual Rent shall be the holdover rent payment set forth in the Lease applicable to the Sublet Premises. Nothing contained in this Section 21 shall affect or limit any of Sublessor's other rights or remedies under any provision of this Sublease.

22. **Environmental**. During the Term of this Sublease, Sublessee shall not use, generate, manufacture, process, treat, store, warehouse, release, or incorporate "Hazardous Materials" (as defined herein) onto the Sublet Premises except in accordance with Environmental Laws (as defined below) or in the ordinary course of business. Sublessee shall also, at its own cost, comply with all Environmental Laws applicable to Sublessee or to the Sublet Premises. For the purposes hereof, "***Environmental Laws***" shall mean any applicable federal, state, county, regional or local statutes, laws, regulations, rules, ordinances, codes, standards, orders, licenses and permits of any governmental authorities relating to environmental, health or safety matters (including, without limitation, Hazardous Materials [as defined hereinafter]). For the purposes hereof, "***Hazardous Materials***" shall mean any chemical, material or substance, exposure to which is prohibited, limited or regulated by any federal, state, county, regional or local authority or which even if not so prohibited, limited or regulated. If Hazardous Materials are used, stored, generated, contained or disposed of on or in the Sublet Premises, or if the Sublet Premises becomes contaminated in any manner due to the actions or omissions of Sublessee or its agents, employees, contractors or invitees, Sublessee shall indemnify, defend (with counsel reasonably acceptable to Sublessor) and hold Sublessor harmless from any and all claims, damages, fines, judgments, penalties, costs, liabilities and losses arising during or after the Term and as a result of such use, storage, generation, disposal or contamination in violation of Environmental Laws. This indemnification includes, without limitation, any and all costs incurred because of any investigation of the site or any cleanup, removal or restoration mandated by a federal, state or local agency or political subdivision. Without limitation of the foregoing, if Sublessee causes or permits the presence of any Hazardous Materials on the Sublet Premises in violation of Environmental Laws that results in contamination, Sublessee shall promptly, at its sole expense, take any and all necessary actions to return the Sublet Premises to the condition existing prior to the presence of

any such Hazardous Materials on the Sublet Premises; provided, however, Sublessee must obtain Sublessor's prior written approval for any such remedial action. Sublessee shall be responsible for the application for and maintenance of all required permits, the submittal of all notices and reports, proper labeling, training and record keeping, and timely and appropriate response to any release or other discharge by Sublessee of Hazardous Materials under Environmental Laws. During the Term of this Sublease, Sublessee shall promptly provide Sublessor with copies of all summons, citations, directives, information inquiries or requests, notices of potential responsibility, notices of violation or deficiency, orders of decrees, claims, complaints, investigations, judgments, letters, notices of environmental liens or response actions in progress, and other communications, written or oral, actual or threatened, from any federal, state, or local agency or authority, or any other entity or individual, concerning (a) any release of a Hazardous Material to the Sublet Premises; (b) the imposition of any lien on the Sublet Premises; or (c) any alleged violation of or responsibility under Environmental Laws at the Sublet Premises. Sublessee shall not be responsible for remediating any Hazardous Materials existing on the Sublet Premises prior to the Effective Date. The indemnity obligations of Sublessee under this Section 22 shall survive the expiration or earlier termination of this Sublease.

23. **Surrender of the Sublet Premises**. Sublessee, on the Expiration Date or the date of earlier termination of this Sublease, shall peaceably surrender the Personal Property in as good condition as when Sublessee took possession and shall surrender the Sublet Premises, in broom-clean condition and otherwise in as good condition as when Sublessee took possession, and in the condition required by the Lease and subject to Sublessee's obligation to remove any of its Alterations or improvements as set forth herein, except for reasonable wear and tear subsequent to the last repair, replacement, restoration or alteration required by this Sublease. Sublessee shall remove Sublessee's property on or before the Expiration Date or the date of earlier termination of this Sublease, and pay the cost of repairing all damage to the Property caused by such removal.

24. **Terms**. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Lease.

25. **Entire Agreement**. This Sublease, the Exhibits attached hereto, if any, and the provisions of the Lease, which have been incorporated herein by reference, contain the entire agreement between the parties concerning the Property and shall supersede any other agreements between the parties concerning this matter, whether oral or written. This Sublease shall not be modified, cancelled or amended except by written agreement, signed by both parties.

26. **Counterparts**. This Sublease may be executed in counterparts, each of which shall be deemed an original, but such counterparts, when taken together, shall constitute one agreement. Facsimile or electronically submitted signatures shall be deemed original signatures.

27. **Binding Effect**. This Sublease shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

28. **Governing Law**. This Sublease shall be governed by and construed in accordance with the internal laws of the State of Illinois.

29. **Authority**. Sublessee represents and warrants to Sublessor that it has the power and authority to execute and deliver this Sublease and perform its obligations hereunder. Sublessor represents and warrants to Sublessee that it has the power and authority to execute and deliver this Sublease and perform its obligations hereunder.

30. **Waivers**. No waiver by any party of a breach of any provision of this Sublease, and no failure by any party to exercise any right or remedy relating to a breach of any provision of this Sublease, shall (a) constitute a waiver or relinquishment for the future of such provision, (b) constitute a waiver of or consent to any subsequent breach of such provision, or (c) bar any right or remedy of such party relating to any such subsequent breach. The exercise by any party of any right or election under this Sublease shall not preclude such party from exercising any other right or election that it may have under this Sublease.

31. **Time of the Essence**. Time is of the essence with respect to each provision of this Sublease.

32. **Waiver of Claims**. Notwithstanding anything in this Sublease or the Lease to the contrary, Sublessee and Sublessor each hereby waive any and all rights of recovery, claim, action, or cause of action against the other, and its agents, employees, licensees, or invitees for any loss or damage to or at the Property, or any improvements of Sublessor or Sublessee therein or thereon by reason of fire, the elements, or any other cause which could be insured against under the terms of the insurance policies referred to hereinabove, regardless of cause or origin, including omission of Sublessor or Sublessee, or their respective agents, employees, licensees, or invitees.

33. **Lessor Consent**. Sublessee expressly acknowledges that this Sublease is subject to Sublessor obtaining the consent of Lessor pursuant to the provisions of the Lease. Following execution of this Sublease by Sublessee, Sublessee will keep open Sublessee's offer to enter into this Sublease for a period of fifteen (15) business days while Sublessor endeavors to obtain Lessor's consent. If Sublessor is unable to obtain Lessor's consent for any reason within fifteen (15) business days following submission by Sublessee to Sublessor of this Sublease executed by Sublessee, Sublessor may thereafter terminate this Sublease by providing written notice of such termination to Sublessee and neither party shall have any further obligations hereunder, except that Sublessor shall return any prepaid rent or security deposit held by Sublessor to Sublessee. Sublessor shall be responsible to pay any fees due to Lessor in order to obtain Lessor's consent.

34. **Sublessor's Obligations**. Sublessor agrees to perform, according to the terms of the Lease, the obligations of Sublessor under the Lease that have not been assumed by Sublessee under this Sublease with respect to the Sublet Premises. Sublessor agrees that it will not modify or amend any of the terms of the Lease in a way that would materially impact Sublessee's rights or obligations under this Sublease.

If Lessor defaults in the performance of any of its covenants or obligations under the Lease to Sublessor which such covenants and obligations directly affect the Sublet Premises, Sublessee shall have no rights or remedies against Sublessor but instead shall have the right, at Sublessee's expense and in the name of Sublessor, to make any demand or institute any action or proceeding at law or in equity or otherwise against Lessor permitted under the Lease for the enforcement of Lessor's obligations or covenants under the Lease. The foregoing notwithstanding, Sublessee shall

furnish Sublessor with written notice of Lessor's default and Sublessor at its option and expense may (i) seek to cure such default itself; (ii) bring its own action against Lessor; and/or (iii) allow Sublessee to make Sublessee's claim directly against Lessor. Sublessor agrees that it will execute any reasonable demands, pleadings, documents or other written instruments and will otherwise reasonable cooperate with Sublessee as may be necessary to enable Sublessee to proceed in Sublessor's name to enforce such obligations or covenants of Lessor under the Lease. Sublessee shall indemnify, defend and hold harmless Sublessor against all costs and expenses (including attorneys' fees) suffered or to be suffered by Sublessor in connection with any such demand, action or proceeding undertaken by Sublessee.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have hereto executed this Sublease as of the Effective Date.

"***Sublessor***":

BIN INSURANCE HOLDINGS, LLC,
a Delaware limited liability company

By: /s/ Kevin Mix
Name: Kevin Mix
Title: Controller

"Sublessee":

JIO, INC., a Delaware corporation

By: /s/ John Renaldi
Name: John Renaldi
Title: CEO

[Signature Page to Sublease Agreement]

Exhibit 10.35

VENDOR TERMS AND CONDITIONS

Welcome to Amazon's internal website for vendors, where you can obtain information to assist with managing your relationship with Amazon.com Services, Inc., and its affiliates (each and collectively, "Amazon", "we", "us" or "our"). Any person or entity ("Vendor", "you" or "your") who wants to supply Products (as defined in Section 1) to Amazon or access or use this website must accept these Vendor Terms and Conditions ("Agreement") without change. BY REGISTERING FOR OR OTHERWISE USING THIS WEBSITE, YOU (1) ON BEHALF OF YOURSELF AND THE ENTITY THAT YOU REPRESENT, AGREE TO BE BOUND BY ALL TERMS AND CONDITIONS OF THIS AGREEMENT, INCLUDING ALL TERMS AND CONDITIONS INCORPORATED BY REFERENCE; AND (2) REPRESENT AND WARRANT THAT YOU ARE EXPRESSLY AUTHORIZED TO BIND VENDOR TO THIS AGREEMENT.

1. Purchase Orders and Pricing: This Agreement governs our purchase of Products from you. "Products" means all goods provided to Amazon, including their packaging but excluding, if applicable, digital content that is intended for sale to customers and that is covered by separate agreements between you and us. We are not obligated to purchase Products, and you are not obligated to sell Products, until you accept a purchase order ("PO"). You will not substitute Products or combine or consolidate POs without our consent. Terms specified in PO confirmations or other communications sent by you to us are not binding unless agreed to in writing by both parties. Documents that we sign acknowledging receipt of Products do not constitute acceptance of the Products. We may modify or cancel POs without penalty before you deliver Products to the carrier. The PO provides Product prices and payment terms and may include discounts or rebates. Purchasing terms, coop, allowances, discounts, rebates or other funding, to the extent not reflected in the PO, will be set forth in Program Policies or separate agreements ("Additional Terms"), each of which is incorporated into this Agreement. Prices include any commissions and other charges, unless otherwise noted. You may request that certain Products be sold only to customers with Amazon Business accounts ("Business-Only Products"). You will identify to Amazon which Products are Business-Only Products and will be responsible for maintaining that list and ensuring its accuracy. Final determination about which Products constitute Business-Only Products, and any customer requirements that may apply to such products, will be made by Amazon.

2. Product Images/Information: On an ongoing basis, you will provide us, free of charge, all current Product information, including electronic images and any Product information or warnings required by law to be disclosed in any sale or advertisement of the Product ("Product Information"). Product Information also includes any Product information collected by us from your website, or otherwise made available to us by you (or by a third party at your direction). You grant us a non-exclusive, worldwide, perpetual, irrevocable and royalty-free license to: (a) use, copy, display, perform, and distribute the Product Information on or in connection with any online or offline point of presence, mobile application, service or feature; (b) excerpt, reformat, adapt or otherwise create derivative works of the Product Information; (c) use all trademarks or trade names included in the Product Information; and (d) sublicense any of the foregoing rights to third parties in connection with our programs or services (for example, to advertise your Products). You will promptly provide all information regarding safety, compliance, industry standards or testing related to your Products ("Product Safety Information") that we reasonably request.

3. Representations, Warranties, and Covenants: You represent, warrant, and covenant on an ongoing basis that: (a) the Products are genuine and free from defects; (b) all materials and other items incorporated into the Products are new (not refurbished or reconditioned), unless you have received our prior written consent otherwise; (c) the Product Information, Product Safety Information, packaging, and

labeling is true, accurate and complete; (d) the Products, Product Information, and our exercise of our license rights in this Agreement, will not violate any third party rights, including intellectual property rights; (e) you will comply with all applicable laws and rules relating to the Products (including obtaining and maintaining any permits or licenses required to manufacture, distribute, sell, export, import or otherwise deal in any Product), and the Products, Product Information, packaging, labeling, export, and import documentation (if applicable) will comply with all applicable laws and rules; (f) the Products may be lawfully marketed, stored, sold, distributed, and disposed of without restriction (e.g., no required disclosures, licenses, or registrations) other than any specific restrictions or prohibitions you disclose and we consent to in writing in advance of shipment to us, and you will notify Amazon in writing of all customer requirements that are required under applicable law for Business-Only Products identified by you; (g) no Product is, or contains ingredients that are, regulated as a controlled drug or substance, or is listed as a regulated chemical; (h) no Products will be provided to us that are regulated as a hazardous or dangerous product or material, except as expressly permitted under applicable Program Policies or you disclose to us and we consent to in writing in advance of shipment to us; and (i) the Products were produced, manufactured, assembled, and packaged in compliance with all applicable labor, wage, and hour laws and rules (including the U.S. Fair Labor Standards Act, if applicable), and no Products were produced, manufactured, assembled, or packaged by forced, prison or child labor (defined as age 15 or the minimum working age within the applicable jurisdiction, whichever is older); (j) the country of origin of the Products is not subject to U.S. or other applicable government sanctions that prohibit the importation of products from such country at the time of import or at the time you deliver the Products to us; (k) you and your financial institution(s) are not subject to sanctions or otherwise designated on any list of prohibited or restricted parties or owned or controlled by such a party.

4. Product Returns; Effect of Remedies; Product Recalls and Safety Alerts: We may return or dispose of at your expense, and you will accept and reimburse us for, any Product (a) that is defective, (b) that does not conform to agreed specifications or to samples, (c) that is subject to recall or safety alert by a government authority or the Product's manufacturer or distributor or that we otherwise reasonably determine poses a safety risk to customers, (d) that was not ordered in the applicable PO, (e) for which you fail to promptly provide Product Safety Information upon our reasonable request, or (f) that does not comply with this Agreement. You will cooperate with the return or disposal of any Products under this Section. Title and risk of loss for all Products returned under this Agreement will pass to you upon delivery by us to the carrier. Except to the extent we otherwise agree in writing, we may also return to you or dispose of any Product that is damaged; you will accept any such return and reimburse us for the Product and any cost of return or disposal. Payment of an invoice does not limit our remedies. You will provide us with immediate written notice of any Product recall or safety alert. You are responsible for costs we incur in a recall or safety alert and for providing any required notices, information, and documents to applicable authorities or that are otherwise necessary for carrying out the recall or safety alert.

5. Vendor Defense and Indemnification: You will defend, indemnify, and hold harmless Amazon.com, Inc., its affiliated companies, and their respective officers, directors, employees, and agents (the "Amazon Parties") against any third party claim, liability, loss, damage, cost or expense (including reasonable legal fees) (each, a "Claim", and collectively, the "Claims") incurred by any Amazon Party arising from or relating to: (a) any death of or injury to any person, damage to any property or any other damage or loss related to any Product; (b) any Product recall or safety alert; (c) any infringement or misappropriation of any third party rights, including intellectual property rights, by any Product, Product Information, or other content you provide to us; (d) your negligence or intentional misconduct; (e) your breach of this Agreement; (f) any Product-related issue for which you or we are strictly liable; or (g) your failure to state accurate

Product Information, or to promptly provide accurate Product Safety Information upon our reasonable request. However, with respect to the foregoing indemnity obligations, you will not be obligated to indemnify Amazon Parties to the proportional extent the liability for a Claim is caused by the negligence or intentional misconduct of that Amazon Party as determined by a final, non-appealable order of a court having jurisdiction. You will not consent to the entry of a judgment or settle any Claim without the Amazon Parties' prior written consent, which may not be unreasonably withheld. You will use counsel reasonably satisfactory to the Amazon Parties, and the Amazon Parties will cooperate in the defense at your expense. If any Amazon Party reasonably determines that any Claim might have an adverse effect, that Amazon Party may take control of the defense at its expense (without limiting your indemnification obligations). Your obligations under this Section 5 are independent of your other obligations under this Agreement.

6. **Limitation of Liability:** NEITHER PARTY IS LIABLE TO THE OTHER FOR ANY LOSS OF PROFITS OR OTHER CONSEQUENTIAL, SPECIAL, INCIDENTAL, PUNITIVE, OR INDIRECT DAMAGES ARISING IN CONNECTION WITH THIS AGREEMENT, EXCEPT FOR THOSE ARISING IN CONNECTION WITH YOUR DEFENSE AND INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT.

7. **Shipping:** The parties will agree which party is responsible for managing and paying for transportation of Products to us. When we pay for transportation, you will deliver the Products to the Amazon-designated carrier and title and risk of loss for the Products will pass to us when you deliver the Products to the carrier (for domestic shipments) or when the Products are cleared for export and delivered to the carrier at the port of export (for international shipments). When you pay for transportation, title and risk of loss for the Products will pass to us when we accept the Products. Except to the extent that we agree otherwise, you or your designated agent will be the importer or exporter of record, as applicable, on all cross-border transfers, returns, and other shipments of Products between you and us, will not list us as the importer or exporter on any import, export or other customs documentation, and will ensure that all cross-border transfers, Product returns and other shipments comply with all import, export, and other applicable laws and regulations. Under no circumstances will we be the exporter of record for cross-border shipments of Products from you to us. As the importer and exporter of record, you or your designated agent will be responsible for payment of any taxes, duties or fees, and will be responsible for all required recordkeeping, registration, reporting, and licensing. If we expressly agree to act as the importer or exporter of record, you will prepare and submit all documents required to export Products or to bring, distribute, and sell those Products in the destination country, you represent and warrant that all documents and the information contained in such documents are complete, accurate, and up to date, and you will pay any additional fees or charges due to insufficient or incorrect documentation. We will incur no liability arising from any assistance we provide in preparing any documentation or otherwise.

8. **Insurance; Guaranties; Proprietary Products; Consignment; Direct Fulfillment; Proposition 65:** You will comply with Schedule 1. If you at any time provide any Product to us that is described on Schedule 2, then you hereby also provide to us the guaranty applicable to that Product set forth in Schedule 2. If the parties agree that you will manufacture Products according to our designs or specifications, then you will comply with Schedule 3 for such Products. If the parties agree that you will provide Products for consignment to us, you will comply with Schedule 4 for such Products. If the parties determine that you will provide fulfillment services for certain Products, then you will comply with Schedule 5 for such Products. If you provide Products that require a warning under California Health & Safety Code Section 25249.6 (a "Proposition 65 Warning"), then you will comply with Schedule 7 for such Products.

9. Confidential Information; Publicity: You will, and will cause your affiliates and employees to, (a) protect and not disclose information that is identified as confidential or that reasonably should be considered confidential to us; (b) use this information only to fulfill your obligations under this Agreement; and (c) promptly return to us or destroy this information when this Agreement terminates. This Section 9 covers all confidential information regardless of when you receive it. You will not, without our prior written agreement, use any trademark, service mark, commercial symbol, or other proprietary right of Amazon, issue press releases or other publicity relating to Amazon or this Agreement, or refer to Amazon in promotional materials. If we authorize you to use any of our trademarks, you will comply with any Program Policies related to such use, including any trademark guidelines.

10. Miscellaneous:

(a) Taxes: You may charge and we will pay applicable federal, national, state or local sales or use taxes or value added taxes that you are legally obligated to charge ("Taxes"), subject to your provision to us of an invoice that states such Taxes separately and meets the requirements for a valid tax invoice. We may provide you with an exemption certificate or equivalent information acceptable to the relevant taxing authority, in which case you will not charge or collect the Taxes covered by such certificate. We may deduct or withhold any taxes that we may be legally obligated to deduct or withhold from any amounts payable to you under this Agreement, and payment to you as reduced by such amounts will constitute full payment and settlement to you of amounts payable under this Agreement. You will provide us with any forms, documents, or certifications required for us to satisfy any information reporting or withholding tax obligations with respect to any payments under this Agreement.

(b) Choice of Law; Dispute Resolution: This Agreement is governed by the U.S. Federal Arbitration Act, applicable U.S. federal law, and Washington state law, without reference to any applicable conflict of laws rules, the Convention on Contracts for the International Sale of Goods, or any local laws implementing the Convention on Contracts for the International Sale of Goods in any jurisdiction where the Products are sold. **Any dispute arising out of this Agreement will be resolved by binding arbitration, rather than in court**. There is no judge or jury in arbitration, and court review of an arbitration award is limited. However, an arbitrator can award on an individual basis the same damages and relief as a court (including injunctive and declaratory relief or statutory damages), and must follow the terms of this Agreement as a court would. To begin an arbitration proceeding, you must send a letter requesting arbitration and describing your claim to our registered agent Corporation Service Company, 300 Deschutes Way SW, Suite 304, Tumwater, WA 98501. The arbitration will be conducted by the American Arbitration Association (AAA) under its rules, including the AAA's Commercial Arbitration Rules. The AAA's rules are available at www.adr.org or by calling 1-800-778-7879. Payment of all filing, administration and arbitrator fees will be governed by the AAA's rules. Arbitration conducted in person will be in King County, Washington or at another mutually agreed location; however, you may choose to have the arbitration conducted by telephone or based on written submissions. **You and we each agree that any dispute resolution proceedings will be conducted only on an individual basis and not in a class, consolidated or representative action**. If for any reason a claim proceeds in court rather than in arbitration you and we each waive any right to a jury trial. You and we also both agree that you or we may bring suit in court to enjoin infringement or other misuse of intellectual property rights.

(c) Other: Either party may terminate this Agreement with 60 days' prior written notice. Regardless of any termination, you will fulfill all POs you accept before the effective date of termination. Section 2 (Product Images/Information), Section 3 (Representations, Warranties, and Covenants), Section 4

(Products Returns; Effect of Remedies; Product Recalls), Section 5 (Vendor Defense and Indemnification), Section 6 (Limitation of Liability); Section 8 (Insurance; Guarantees; Proprietary Products; Consignment; Direct Fulfillment; Proposition 65); Section 9 (Confidential Information; Publicity); Section 10 (Miscellaneous); Schedule 1 (Insurance); Schedule 2 (Guaranty); Sections 3-6 and 8 of Schedule 3 (Proprietary Products); Sections 4 and 7 of Schedule 5 (Direct Fulfillment); and Schedule 7 (Proposition 65) will survive termination. Any Amazon affiliate may issue a PO under this Agreement, and POs are the separate obligation of the affiliate that issues the PO. With respect to such POs, such affiliate becomes a party to this Agreement and references to Amazon in this Agreement are deemed to be references to such affiliate. You will not assign this Agreement, or any obligation or right (including any right to payment) in the Agreement, without our prior written consent. Our estimates or forecasts are non-binding. We may either withhold and setoff, or demand payment of, any sums you owe us, including any Taxes that we are legally required to withhold from amounts we pay you. We may withhold payment if you have not sent us an appropriate invoice in accordance with the Program Policies. If you do not dispute the amounts we pay you (including amounts we withhold or setoff) within 90 days after such payment (or any shorter period specified in a Program Policy, Additional Terms, or PO), the payment amount will become final and you may not challenge or otherwise object to such payment amount. During the term of this Agreement and for 2 years after its termination, we may request and you will provide copies of your financial records reasonably necessary to verify any transactions related to this Agreement. If you do not respond within a reasonable period after receiving a records verification request, we may deduct any amount we reasonably believe to be due from amounts we pay to you. The parties' rights and remedies under this Agreement are cumulative. Either party's failure to enforce any provision will not be a waiver of the party's rights to subsequently enforce the provision. If any provision is held to be invalid, then that provision will be modified to the extent necessary to make it enforceable, and any invalidity will not affect the remaining provisions. This Agreement incorporates, and you will, and the Products you sell to us will, comply with, the terms, conditions, policies, guidelines, rules and other information ("Program Policies") on this website, and any other Additional Terms, including any updates to such Program Policies or Additional Terms from time to time. To the extent there is a conflict between this Agreement, the Program Policies, any Additional Terms or a PO, the conflict will be resolved by giving precedence in the order specified in such documents, or if not specified, the following order: this Agreement, the Program Policies, the applicable Additional Terms, and the applicable PO. You may use standard business forms or other communications (such as invoices, confirmations or shipping documents), but use of these forms is for convenience only and will not alter or supersede the provisions of this Agreement, any of our Program Policies, Additional Terms, or POs. Email we send to any email address you have on file with us or that you have otherwise designated will constitute notice from Amazon. This Agreement, including the Program Policies and any Additional Terms, is the entire agreement between Amazon and Vendor for the purchase and sale of Products, and supersedes all prior agreements and discussions. The parties expressly agree that this English language version of this Agreement (including all Program Policies, Additional Terms, and additional terms incorporated by reference or otherwise relating to this Agreement) is definitive and that in the event of any dispute or controversy as to the proper interpretation and construction of this Agreement, the English version will prevail. Any versions provided in other languages are for reference purposes only.

11. Revisions; Continued Use: We reserve the right to change any of the terms of this Agreement, including the terms of any materials incorporated herein (unless otherwise specified by us in such materials), at any time and in our sole discretion. Any changes will be effective upon the earlier to occur of: (a) emailing the revised terms, or notice of such changes, to you at your e-mail address; or (b) posting the revised terms on this website. You are responsible for reviewing any revised terms, and any notices of revisions. YOUR CONTINUED ACCEPTANCE OF PURCHASE ORDERS OR CONTINUED USE OF THIS

WEBSITE FOLLOWING OUR E-MAILING OR POSTING OF ANY REVISED TERMS, OR ANY NOTICE OF ANY SUCH REVISIONS, WILL CONSTITUTE YOUR ACCEPTANCE OF THE REVISIONS. IF YOU DO NOT AGREE TO ANY CHANGES TO THIS AGREEMENT OR THE PROGRAM POLICIES, YOU MUST STOP ACCEPTING PURCHASE ORDERS AND STOP USING THIS WEBSITE, AND GIVE US WRITTEN NOTICE.

SCHEDULE 1

INSURANCE

1. If you provide to us any Product other than books, music, videos, DVDs, videogames or software, then you will obtain and maintain, at your expense, commercial general liability insurance coverage (which must include products liability coverage) of at least $1 million USD per occurrence. You must maintain your insurance coverage for 12 months after the expiration or termination of this Agreement.

However, if the Products include any Proprietary Products (as defined in Schedule 3), then the limits of your insurance coverage will be at least $20 million USD per occurrence and $20 million USD aggregate. If any Proprietary Products are intended for bodily consumption, then any fungi/mold or similar exclusion on the policy must contain the following or substantially similar language: "This exclusion does not apply to any fungi or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption."

2. Your required minimum limits of insurance may be satisfied by any combination of primary and excess/umbrella liability insurance policies. You will name "Amazon.com, Inc. and its affiliates and their respective officers, directors, employees, and agents" as additional insureds on each insurance policy required by this Schedule. Each of these policy coverages will be on a primary basis with any insurance maintained by us, and our insurance shall be excess of all insurance maintained by you. You will provide us with 30 days' advance notice of cancellation, significant modification or expiration of each policy.

3. Upon request, you will provide a certificate of insurance and a copy of any applicable endorsement evidencing our additional insured status for each insurance policy required by this Schedule to Amazon's Risk Management via email at coi@amazon.com. Our approval of your insurance does not relieve you of any obligations, including but not limited to your defense and indemnity obligations, even for claims over your policy limits. If you fail to perform any of your obligations in this Schedule, we may withhold payments owed to you until you meet these obligations.

SCHEDULE 2

GUARANTY

This schedule sets forth continuing guaranties that you provide to us if you, at any time during the term of this Agreement, sell us the types of Products to which they apply.

Schedule 2(a)

If you provide any Product to us that is subject to the requirements of the U.S. Textile Fiber Products Identification Act, the U.S. Fur Products Labeling Act, or the U.S. Wool Products Labeling Act, then you provide to us the following continuing guaranty:

You guarantee that all textile fiber, fur or wool Products now being sold or which may hereafter be sold or delivered to us are not, and will not be misbranded nor falsely nor deceptively advertised or invoiced under the provisions of the U.S. Textile Fiber Products Identification Act, the U.S. Fur Products Labeling Act, the U.S. Wool Products Labeling Act, and the rules and regulations under any of these acts. You acknowledge that furnishing a false guaranty is an unlawful, unfair and deceptive act or practice pursuant to the U.S. Federal Trade Commission Act and certify that you will actively monitor and ensure compliance with the U.S. Textile Fiber Products Identification Act, the U.S. Fur Products Labeling Act, the U.S. Wool Products Labeling Act and the rules and regulations under any of these acts during the duration of this guaranty.

Schedule 2(b)

If you sell, have sold or otherwise provide any Product to us that is a "pesticide" or other product regulated under the U.S. Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA") or its implementing regulations, then you provide to us the following continuing guaranty that (a) you are a resident of the United States and your current U.S. mailing address is as indicated in your vendor account information; and (b) the pesticides and other FIFRA regulated products comprising each sale, shipment or other delivery made previously or hereafter are: (i) lawfully registered with the U.S. Environmental Protection Agency at the time of sale, shipment or delivery, or fully qualified for a specific exemption from the FIFRA registration requirements at the time of sale, shipment or delivery, (ii) compliant with all requirements of FIFRA and its implementing regulations at the time of sale, shipment or delivery, and (iii) provided by you in the original, unbroken packaging.

Schedule 2(c)

If you provide any Product to us that is subject to the requirements of the U.S. Federal Food, Drug and Cosmetic Act, then you provide to us the following continuing guaranty:

All food, drug, medical device and cosmetic Products comprising each shipment or other delivery previously or hereafter made by or on behalf of you to or in the order of us are hereby guaranteed, as of the date of such shipment or delivery, to be, on such date, not adulterated or misbranded within the meaning of the U.S. Federal Food, Drug, and Cosmetic Act ("FFDCA"), and not an article which may not, under the provisions of section 404, 505, or 512 of the FFDCA, be introduced into interstate commerce.

Schedule 2(d)

If you sell, have sold or otherwise provide any Product to us that is, or includes, a diamond, then you provide to us the following continuing guaranty:

You guarantee that (a) all diamonds now being sold or which may hereafter be sold or delivered to us have been handled in accordance with the provisions of the U.S. Clean Diamond Trade Act, the Kimberly Process Certification Scheme (as such term is defined in the U.S. Clean Diamond Trade Act), and all other applicable laws, rules and regulations, and (b) you will purchase diamonds only from importers who comply with the U.S. Clean Diamond Trade Act, the Kimberly Process Certification Scheme, and who have obtained a Kimberley Process Certificate (as such term is defined in the U.S. Clean Diamond Trade Act). Further, upon request, you will provide us with a copy of the Kimberly Process Certificate(s) for any of your importers.

Schedule 2(e)

If you sell, have sold or otherwise provide any Product to us that is a "covered good," as such term is defined in the U.S. Bank Secrecy Act or its implementing regulations, then you provide to us the following continuing guaranty:

You guarantee that you are either (a) a Dealer (as such term is defined in 31 C.F.R. 1027.100) and maintain a written anti-money laundering program that complies with 31 C.F.R. 1027.210, or (b) eligible for the retailer exemption from the definition of Dealer pursuant to 31 C.F.R. 1027.100(b)(2)(i) and, therefore, you are not required to maintain an anti-money laundering program.

SCHEDULE 3

PROPRIETARY PRODUCTS

1. **Proprietary Products:** If the parties agree that you will manufacture Products according to Specifications ("Proprietary Products"), then you and any subcontractors, affiliates, and delegates we approve under Section 7 of this Schedule ("Subcontractors") will comply with this Schedule; otherwise, this Schedule will not apply. "Specifications" means the specifications, designs (including Computer Assisted Designs ("CADs"), drawings, technical or "tech" packs, modifications or enhancements), and any related documentation to any of the above that we provide to you or is otherwise accepted by us in writing. You will manufacture Proprietary Products only at locations pre-approved by us in writing; however such pre-approval will not in any way limit any representation, warranty or covenant contained in this Schedule 3. You will not make any Material Modification to the Proprietary Products' materials, components, ingredients, formulas, formulations, manufacturing processes or manufacturing facilities unless you have submit the Material Modification to us and we approve the modifications in writing. "Material Modification" means any impact, effect or result that would alter the Specifications, ingredients, regulatory status, commercial sales, or labeling requirements of any Proprietary Product. You may not rely upon any instructions, directions, or documentation provided by a third party, unless we notify you in writing that the third party is authorized to provide such instructions, directions, or documentation.

2. **Compliance:** Before starting full production, you will produce a quantity of finished Proprietary Products designated by us. When developing and manufacturing Proprietary Products, you will comply with the Amazon Supplier Code of Conduct and any Amazon social compliance, product quality, product safety, industry certification, labeling, trademark, packaging, shipping, and schedule requirements made available by us to you ("Compliance Requirements"). We will have the right, with or without notice, to review and inspect: (a) each of the Proprietary Products, at any stage of their development; (b) your and your Subcontractors' production and related facilities; and (c) any materials or documentation relating to, or incorporated in, the Proprietary Products. We or a third party selected by us will have the right, with or without notice, and at your expense, to review, inspect, and audit your and your Subcontractors' compliance with the Compliance Requirements. You will, and will cause your Subcontractors to, implement any corrective actions required by us in accordance with the timelines we specify.

3. **Amazon Intellectual Property:** We reserve all rights in the information and materials, including Specifications, provided to you by us or our authorized third party. Except as expressly set forth in this Schedule, we do not grant to you any license, right, title or interest in, to, under or with respect to any trade secrets, designs, patents, trademarks, copyrights, inventions, data, trade dress, financial information, marketing plans, strategies, projections, or any intellectual property held by us ("Amazon Intellectual Property"). Upon our request, you will provide us with all information and documentation that is known to you relating to Amazon Intellectual Property. You will assist us in any related proceeding or litigation, and will promptly execute and deliver to us or our legal representative any papers, affidavits and declarations and take such other action as we request to apply for, obtain, maintain, and enforce our rights in the Amazon Intellectual Property.

4. **License:** If we direct you to use, mark or label Proprietary Products with a trade name, trademark, logo, service mark, trade dress or design ("Amazon Identification"), you will apply this marking or labeling, or use said trade dress, only on the quantity and in the manner specified. If we direct you to mark Proprietary Products with Amazon Identification, we grant you a non-exclusive, non-transferable, royalty-

free, non-assignable and revocable right and license during the term of the Agreement to reproduce and display, without alteration of any kind, the Amazon Identification solely on the Proprietary Products and solely as directed by us. You may not transfer, assign or sublicense these rights or otherwise permit any other party other than a Subcontractor to use the Amazon Identification. You will not market, sell or dispose of Proprietary Products that include Amazon Identification (or Proprietary Product components that include Amazon Identification) to anyone other than us. If we do not accept delivery of Proprietary Products, you will not dispose of these Proprietary Products without removing labels, or markings and destroying Amazon Identification.

5. **Work Product:** With the exception of products previously sold by you, any Proprietary Products or Amazon Identification made specifically for and/or at the request of us ("Work Product") will be deemed a "work made for hire" and made in the course of the performance of the terms of the Agreement and will belong exclusively to us. We own and retain all intellectual property rights in and to the Work Product and will have the right to apply for, register, obtain, and hold in its own name any and all intellectual property rights with respect to the Work Product. You will not create Work Product that infringes, misappropriates or otherwise violates any third party rights, including intellectual property rights. You represent, warrant, and covenant that you own all right, title and interest in and to any copyright, design, print, cut-out, lace, embellishment, appliqué, and/or fabric design (collectively, the "Print Design") not provided by us, that is incorporated in any Proprietary Product, and that the Print Design is not an unauthorized copy. If it is determined that you incorporated a Print Design in violation of the preceding sentence, you will immediately take steps to remedy the violation, including without limitation, providing additional assurances or alternative designs, or obtaining any necessary licenses or rights. We will have full and unlimited rights to make, have made, use, reproduce, sell, offer for sale, import, export, and distribute the Work Product without any claim or right thereto by you or your agents for additional compensation, and you will not make, use, reproduce, sell, offer for sale, import, export or distribute the Work Product for or on behalf of any other person or entity without the express written consent of Amazon. Without limiting our ownership rights outlined above in this paragraph, you hereby irrevocably assign to us, our successors and assigns all right, title, and interest in and to the Work Product, including intellectual property rights embodied or incorporated in the Work Product or developed in the course of your production, creation or development of the Work Product, including without limitation all copyrights, trademarks, trade dress, service marks, patents, designs, Print Designs, recipes, formulas, formulations and trade secrets. You will execute all applications, assignments or other documents of any kind and take all other legally necessary steps under the law of any applicable jurisdiction or any international regime required for us to apply for, register, obtain, protect, perfect or enforce our rights, title, and interest in the Work Product. You appoint us as your attorney-in-fact to execute assignments of, and register all rights to, the Work Product and the proprietary rights in the Work Product.

6. **Representations and Warranties**: You represent, warrant, and covenant that all Proprietary Products (a) will be manufactured by you in accordance with the Specifications and Compliance Requirements and (b) are of merchantable quality and good material and workmanship, are free of contamination, and are fit and sufficient for purposes for which goods of that type are ordinarily used. You also represent, warrant, and covenant that the design and/or manufacturing process for all Proprietary Products will not violate any third party rights, including intellectual property rights, where the Proprietary Products may be imported into and/or sold.

7. **Subcontracting:** You will not subcontract or delegate any of your obligations under the Agreement, including this Schedule 3, to any third parties without our prior written consent. If we consent to the use of any Subcontractor, you will ensure that such Subcontractor is bound to the terms of the

Agreement and provide a copy of any subcontract entered between you and such Subcontractor to us upon request. Each subcontract will name us as a third party beneficiary of the subcontract. Notwithstanding our consent or the existence or terms of any subcontract, you are responsible for the full performance of your obligations under the Agreement and for your Subcontractors' compliance with the terms of the Agreement.

8. **Raw Materials:** We may, from time to time, at our expense, furnish raw materials or packaging materials (collectively, "Raw Materials") to you required for the manufacture, production, processing, and/or packaging of Proprietary Products. You agree that you will only use Raw Materials in Proprietary Products at our direction, and not for any other products. You agree to inspect all Raw Materials to ensure they meet the Specifications before using the Raw Materials in the manufacture, production, processing, and/or packaging of Proprietary Products. You will: (a) store all Raw Materials at your facility, free of charge and pursuant to the requirements provided by us from time to time; (b) clearly and conspicuously label the Raw Materials as our property; (c) segregate all Raw Materials from other goods; (d) take reasonable measures to secure and protect the Raw Materials from loss or damage; and (e) keep all Raw Materials free and clear of any liens, claims, security interests, and other encumbrances We will retain title to the Raw Materials until you deliver the Proprietary Products containing the Raw Materials to us. You will bear the risk of loss of the Raw Materials from the time of delivery to you until delivery of the Proprietary Products containing the Raw Materials to us. Upon termination or expiration of the Agreement, all Raw Materials in your possession at such time will, at our option, either be (i) returned to us promptly, at our cost, (ii) destroyed, or (iii) purchased by you at a reasonable price to be determined in accordance with then-current industry costs, as agreed by both parties.

SCHEDULE 4

CONSIGNMENT

1. If the parties agree that you will provide Products for consignment to us, you will comply with this Schedule; otherwise, this Schedule will not apply. We may request consignment Products with a PO. Unless otherwise agreed by the parties, the price on the consignment PO will be the price charged by you and paid by us following our purchase, if any, of the consignment Products from you and our sale of consignment Products to our customers. All terms of the Agreement apply to consignment Products, except to the extent otherwise provided in this Schedule.

2. Title to each unit of Product transfers to us at the time we purchase it from you. We will pay you the amount properly payable at the end of each month for consignment Products sold in the previous month. Risk of loss for consignment Products will transfer to us only after we accept the Products.

3. We will accept consignment Products only at the facility designated in the applicable PO. We will store accepted consignment Products until (a) we purchase such consignment Product from you, (b) we return the consignment Product, or (c) the Agreement is terminated for any reason. We may store consignment Products in any facility we choose. If there is loss of or damage to any consignment Product while stored by us, our liability is limited to the price that we agreed to pay you for the consignment Product in Section 1 of this Schedule.

4. You will pay all personal property taxes assessed on consignment Products, including taxes assessed during the period we hold the Products. You has no security interest, lien or other claim in or to the proceeds that we receive from our sale of consignment Products. If an Amazon customer returns consignment Product, we may retain title to such returned Product or return such Product to you. All Products ordered on a consignment basis will constitute true consignments of the consignment Products and not the purchase and sale of merchandise by Amazon.

SCHEDULE 5

DIRECT FULFILLMENT

1. If the parties determine that you will provide packing and shipping fulfillment services, as described in this Schedule ("Direct Fulfillment Services"), then you will comply with this Schedule; otherwise, this Schedule will not apply.

2. This Schedule will only apply to purchases of Products that we designate for Direct Fulfillment Services ("Direct Fulfillment Products"), and as applied to purchases of Direct Fulfillment Products and the performance of Direct Fulfillment Services the provisions of this Schedule will control over any inconsistent provision of this Agreement.

3. **Direct Fulfillment Services:** We will have the right to fulfill any of our customer orders for Products by issuing a PO to you designated for Direct Fulfillment Services (a "Direct Fulfillment PO") and utilizing the Direct Fulfillment Services for such Direct Fulfillment Products. Any of our affiliates will have the right to issue a Direct Fulfillment PO under this Agreement, and Direct Fulfillment POs are the separate obligation of the affiliate that issues the Direct Fulfillment PO.

4. **Amazon Customers:** Our customers are not, by virtue of this Schedule or the rest of this Agreement, your customers. You will not handle or address any contacts with any of our customers, and, if contacted by any of our customers, you will state that those customers must follow contact directions on the web site on which the purchase was made to address customer service issues; provided that this Section 4 will not restrict you with respect to people or entities who are our customers but contact you for matters unrelated to us, the Direct Fulfillment Products or the Direct Fulfillment Services, or with respect to distributing and processing product warranty cards.

5. **Compensation:** Your compensation for the purchase of the Direct Fulfillment Products and for the performance of the Direct Fulfillment Services (including without limitation all labor, materials, costs, and expenses of the Direct Fulfillment Services) is included in the price invoiced for the related Product(s), and (except as set forth in any applicable Direct Fulfillment Program Policies, as defined below, with respect to reimbursement for shipments on your carrier accounts) you will not be entitled to, and we will not pay, any other fees, costs, accessorials, additionals, expenses, charges, surcharges, taxes, tariffs or other compensation or reimbursement in connection with the Direct Fulfillment Services.

6. **Warranties:** You represent, warrant, and covenant that you will comply with all laws, regulations and rules relating to the Direct Fulfillment Services. We may from time to time give volume and other projections to you, but such projections are speculative only and will not give rise to liability for us. We do not make any representation, warranty, or promise as to the amount of business or Direct Fulfillment POs you can expect at any time under this Schedule or this Agreement, and we will not be liable for any actions you undertake based on your expectations.

7. **Tax Matters:** We will provide you with a resale exemption certificate, either with respect to the Multi-State Tax Commission or to any other jurisdiction we deem appropriate in our sole discretion, with respect to any purchases of Direct Fulfillment Products. You accept such resale exemption certificates with respect to Direct Fulfillment Products and Direct Fulfillment Services and will not charge to (or seek reimbursement from) us any sales, use or similar taxes ("Sales Taxes"), add separate line items on invoices for any Sales Taxes, or add any statement to the invoices stating that the Direct Fulfillment Product or Direct

Fulfillment Service prices include Sales Taxes. You will be solely liable for, and will indemnify and hold us harmless against, any and all Sales Taxes assessed or claimed upon the sale or provision of any Direct Fulfillment Products or Direct Fulfillment Services under this Agreement and against all interest, penalties, costs, and expenses (including attorneys' fees) related to such Sales Taxes. Each of the parties will use commercially reasonable efforts (at its own expense) to cooperate and provide assistance to each other with respect to any potential state or local Sales Tax audit in connection with the Direct Fulfillment Services; provided that no party will be required to provide information that is not readily available using such party's existing information systems, and no party will be required to modify or create new systems to obtain or process any such required or requested Sales Tax information. We may terminate this Schedule in its entirety or with respect to any Direct Fulfillment Product or and facility from which you provide Direct Fulfillment Services (or group of Products or facilities) if we determine that the Direct Fulfillment Services or related transactions are causing or are reasonably likely to cause any adverse tax effect.

8. **Miscellaneous:** This Schedule incorporates, and you, the Direct Fulfillment Products you sell and the Direct Fulfillment Services you provide will comply with, the terms, conditions, policies, guidelines, specifications, rules, and other information applicable to the Direct Fulfillment Services and accessible on this web site for vendors ("Vendor Site") at the time of Direct Fulfillment Product shipment ("Direct Fulfillment Program Policies"), including without limitation any updates to such Direct Fulfillment Program Policies from time to time. To the extent there is a conflict between this Schedule and the Direct Fulfillment Program Policies, the terms of the Schedule will control. No force majeure or similar provision excusing performance that applies generally under this Agreement will be deemed to apply to the obligation to perform the Direct Fulfillment Services.

9. **Revisions; Continued Use:** Direct Fulfillment Program Policies are Program Policies for purposes of this Agreement, and are subject to change in accordance with Section 11. YOUR CONTINUED ACCEPTANCE OF DIRECT FULFILLMENT POS OR CONTINUED USE OF VENDOR SITE FOLLOWING OUR E MAILING OR POSTING OF ANY REVISED TERMS, CONDITIONS, OR DIRECT FULFILLMENT PROGRAM POLICIES, OR ANY NOTICE OF ANY SUCH REVISIONS, WILL CONSTITUTE YOUR ACCEPTANCE OF THE REVISIONS. IF YOU DO NOT AGREE TO ANY CHANGES TO THIS SCHEDULE (INCLUDING WITHOUT LIMITATION THE DIRECT FULFILLMENT PROGRAM POLICIES), YOU MUST STOP ACCEPTING DIRECT FULFILLMENT POS.

SCHEDULE 6

[RESERVED]

SCHEDULE 7

PROPOSITION 65

For each Product that requires a Proposition 65 Warning, you (a) will provide us with such warning in the manner specified in our Proposition 65 Program Policy in the Vendor Central Resource Center, (b) agree that our display of a Proposition 65 Warning on a Product detail page is confirmation of our receipt of that warning, and (c) will only revise or remove a Proposition 65 Warning for a Product when the prior warning is no longer legally required.

Exhibit 10.36

PLEASE READ THE FOLLOWING APPLE DEVELOPER PROGRAM LICENSE AGREEMENT TERMS AND CONDITIONS CAREFULLY BEFORE DOWNLOADING OR USING THE APPLE SOFTWARE OR APPLE SERVICES. THESE TERMS AND CONDITIONS CONSTITUTE A LEGAL AGREEMENT BETWEEN YOU AND APPLE.

Apple Developer Program License Agreement

Purpose

You would like to use the Apple Software (as defined below) to develop one or more Applications (as defined below) for Apple-branded products. Apple is willing to grant You a limited license to use the Apple Software and Services provided to You under this Program to develop and test Your Applications on the terms and conditions set forth in this Agreement.

Applications developed under this Agreement for iOS Products, Apple Watch, or Apple TV can be distributed in four ways: (1) through the App Store, if selected by Apple, (2) through the Custom App Distribution, if selected by Apple, (3) on a limited basis for use on Registered Devices (as defined below), and (4) for beta testing through TestFlight. Applications developed for macOS can be distributed: (a) through the App Store, if selected by Apple, (b) for beta testing through TestFlight, or (c) separately distributed under this Agreement.

Applications that meet Apple's Documentation and Program Requirements may be submitted for consideration by Apple for distribution via the App Store, Custom App Distribution, or for beta testing through TestFlight. If submitted by You and selected by Apple, Your Applications will be digitally signed by Apple and distributed, as applicable. Distribution of free (no charge) Applications (including those that use the In-App Purchase API for the delivery of free content) via the App Store or Custom App Distribution will be subject to the distribution terms contained in Schedule 1 to this Agreement. If You would like to distribute Applications for which You will charge a fee or would like to use the In-App Purchase API for the delivery of fee-based content, You must enter into a separate agreement with Apple ("Schedule 2"). If You would like to distribute paid Applications via Custom App Distribution, You must enter into a separate agreement with Apple ("Schedule 3"). You may also create Passes (as defined below) for use on Apple-branded products running iOS or watchOS under this Agreement and distribute such Passes for use by Wallet.

1. Accepting this Agreement; Definitions

1.1 Acceptance

In order to use the Apple Software and Services, You must first accept this Agreement. If You do not or cannot accept this Agreement, You are not permitted to use the Apple Software or Services. Do not download or use the Apple Software or Services in that case. You accept and agree to the terms of this Agreement on Your own behalf and/or on behalf of Your company, organization, educational institution, or agency, instrumentality, or department of the federal government as its authorized legal representative, by doing either of the following:

(a) checking the box displayed at the end of this Agreement if You are reading this on an Apple website; or

(b) clicking an "Agree" or similar button, where this option is provided by Apple.

1.2 Definitions

Whenever capitalized in this Agreement:

"**Ad Network APIs**" means the Documented APIs that provide a way to validate the successful conversion of advertising campaigns on supported Apple-branded products using a combination of cryptographic signatures and a registration process with Apple.

"**Ad Support APIs**" means the Documented APIs that provide the Advertising Identifier and Advertising Preference.

"**Advertising Identifier**" means a unique, non-personal, non-permanent identifier provided through the Ad Support APIs that are associated with a particular Apple-branded device and are to be used solely for advertising purposes, unless otherwise expressly approved by Apple in writing.

"**Advertising Preference**" means the Apple setting that enables an end-user to set an ad tracking preference.

"**Agreement**" means this Apple Developer Program License Agreement, including any attachments, Schedule 1 and any exhibits thereto which are hereby incorporated by this reference. For clarity, this Agreement supersedes the iOS Developer Program License Agreement (including any attachments, Schedule 1 and any exhibits thereto), the Safari Extensions Digital Signing Agreement, the Safari Extensions Gallery Submission Agreement, and the Mac Developer Program License Agreement.

"**APN API**" means the Documented API that enables You to use the APN to deliver a Push Notification to Your Application or for use as otherwise permitted herein.

"**App Store**" means an electronic store and its storefronts branded, owned, and/or controlled by Apple, or an Apple Subsidiary or other affiliate of Apple, through which Licensed Applications may be acquired.

"**App Store Connect**" means Apple's proprietary online content management tool for Applications.

"**Apple**" means Apple Inc., a California corporation with its principal place of business at One Apple Park Way, Cupertino, California 95014, U.S.A.

"**Apple Certificates**" means the Apple-issued digital certificates provided to You by Apple under the Program.

"**Apple Maps Service**" means the mapping platform and Map Data provided by Apple via the MapKit API for use by You only in connection with Your Applications, or the mapping platform and Map Data provided by Apple via MapKit JS and related tools for capturing map content (e.g., MapSnapshotter) for use by You only in connection with Your Applications, websites, or web applications.

"**Apple Pay APIs**" means the Documented APIs that enable end-users to send payment information they have stored on a supported Apple-branded product to an Application to be used in payment transactions made by or through the Application, and includes other payment-related functionality as described in the Documentation.

"**Apple Pay Payload**" means a customer data package passed through the Apple Software and Apple Pay APIs as part of a payment transaction (e.g., name, email, billing address, shipping address, and device account number).

"**Apple Push Notification Service**" or "**APN**" means the Apple Push Notification service that Apple may provide to You to enable You to transmit Push Notifications to Your Application or for use as otherwise permitted herein.

"**Apple SDKs**" means the Apple-proprietary Software Development Kits (SDKs) provided hereunder, including but not limited to header files, APIs, libraries, simulators, and software (source code and object code) labeled as part of iOS, watchOS, tvOS, iPadOS, or Mac SDK and included in the Xcode Developer Tools package and Swift Playgrounds for purposes of targeting Apple-branded products running iOS, watchOS, tvOS, iPadOS, and/or macOS, respectively.

"**Apple Services**" or "**Services**" means the developer services that Apple may provide or make available through the Apple Software or as part of the Program for use with Your Covered Products or development, including any Updates thereto (if any) that may be provided to You by Apple under the Program.

"**Apple Software**" means Apple SDKs, iOS, watchOS, tvOS, iPadOS, and/or macOS, the Provisioning Profiles, FPS SDK, FPS Deployment Package, and any other software that Apple provides to You under the Program, including any Updates thereto (if any) that may be provided to You by Apple under the Program.

"**Apple Subsidiary**" means a corporation at least fifty percent (50%) of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are owned or controlled, directly or indirectly, by Apple, and that is involved in the operation of or otherwise affiliated with the App Store, Custom App Distribution, TestFlight, and as otherwise referenced herein (e.g., Attachment 4).

"**Apple TV**" means an Apple-branded product that runs the tvOS.

"**Apple Watch**" means an Apple-branded product that runs the watchOS.

"**Application**" means one or more software programs (including extensions, media, and Libraries that are enclosed in a single software bundle) developed by You in compliance with the Documentation and the Program Requirements, for distribution under Your own trademark or brand, and for specific use with an Apple-branded product running iOS, iPadOS, watchOS, tvOS, or macOS, as applicable, including bug fixes, updates, upgrades, modifications, enhancements, supplements to, revisions, new releases and new versions of such software programs.

"**Authorized Developers**" means Your employees and contractors, members of Your organization or, if You are an educational institution, Your faculty and staff who (a) each have an active and valid Apple Developer account with Apple, (b) have a demonstrable need to know or use the Apple Software in order to develop and test Covered Products, and (c) to the extent such individuals will have access to Apple Confidential Information, each have written and binding agreements with You to protect the unauthorized use and disclosure of such Apple Confidential Information.

"**Authorized Test Units**" means Apple-branded hardware units owned or controlled by You that have been designated by You for Your own testing and development purposes under this Program, and if You permit, Apple-branded hardware units owned or controlled by Your Authorized Developers so long as such units are used for testing and development purposes on Your behalf and only as permitted hereunder.

"**Beta Testers**" means end-users whom You have invited to sign up for TestFlight in order to test pre-release versions of Your Application and who have accepted the terms and conditions of the TestFlight Application.

"**ClassKit APIs**" means the Documented APIs that enable You to send student progress data for use in a school-managed environment.

"**CloudKit APIs**" means the Documented APIs that enable Your Applications, Web Software, and/or Your end-users (if You permit them) to read, write, query and/or retrieve structured data from public and/or private containers in iCloud.

"**Configuration Profile(s)**" means an XML file that allows You to distribute configuration information (e.g., VPN or Wi-Fi settings) and restrictions on device features (e.g., disabling the camera) to compatible Apple-branded products through Apple Configurator or other similar Apple-branded software tools, email, a webpage, or over-the-air deployment, or via Mobile Device Management (MDM). For the sake of clarity, unless otherwise expressly permitted by Apple in writing, MDM is available only for enterprise use and is separately licensed for under the Apple Developer Enterprise Program License Agreement.

"**Corresponding Products**" means web-based or other versions of Your software applications that have the same title and substantially equivalent features and functionality as Your Licensed Application (e.g., feature parity).

"**Covered Products**" means Your Applications, Libraries, Passes, Safari Extensions, Safari Push Notifications, and/or FPS implementations developed under this Agreement.

"**Custom App Distribution**" means the store or storefront functionality that enables users to obtain Licensed Applications through the use of Apple Business Manager, Apple School Manager, or as otherwise permitted by Apple.

"**DeviceCheck APIs**" means the set of APIs, including server-side APIs, that enable You to set and query two bits of data associated with a device and the date on which such bits were last updated.

"**DeviceCheck Data**" means the data stored and returned through the DeviceCheck APIs.

"**Documentation**" means any technical or other specifications or documentation that Apple may provide to You for use in connection with the Apple Software, Apple Services, Apple Certificates, or otherwise as part of the Program.

"**Documented API(s)**" means the Application Programming Interface(s) documented by Apple in published Apple Documentation and which are contained in the Apple Software.

"**Face Data**" means information related to human faces (e.g., face mesh data, facial map data, face modeling data, facial coordinates or facial landmark data, including data from an uploaded photo) that is obtained from a user's device and/or through the use of the Apple Software (e.g., through ARKit, the Camera APIs, or the Photo APIs), or that is provided by a user in or through an Application (e.g., uploads for a facial analysis service).

"**FOSS**" (Free and Open Source Software) means any software that is subject to terms that, as a condition of use, copying, modification or redistribution, require such software and/or derivative works thereof to be disclosed or distributed in source code form, to be licensed for the purpose of making derivative works, or to be redistributed free of charge, including without limitation software distributed under the GNU General Public License or GNU Lesser/Library GPL.

"**FPS**" or "**FairPlay Streaming**" means Apple's FairPlay Streaming Server key delivery mechanism as described in the FPS SDK.

"**FPS Deployment Package**" means the D Function specification for commercial deployment of FPS, the D Function reference implementation, FPS sample code, and set of unique production keys specifically for use by You with an FPS implementation, if provided by Apple to You.

"**FPS SDK**" means the FPS specification, FPS server reference implementation, FPS sample code, and FPS development keys, as provided by Apple to You.

"**Game Center**" means the gaming community service and related APIs provided by Apple for use by You in connection with Your Applications that are associated with Your developer account.

"**HealthKit APIs**" means the Documented APIs that enable reading, writing, queries and/or retrieval of an end-user's health and/or fitness information in Apple's Health application.

"**HomeKit Accessory Protocol**" means the proprietary protocol licensed by Apple under the MFi Program that enables home accessories designed to work with the HomeKit APIs (e.g., lights, locks) to communicate with compatible iOS Products, Apple Watch and other supported Apple-branded products.

"**HomeKit APIs**" means the Documented APIs that enable reading, writing, queries and/or retrieval of an end-user's home configuration or home automation information from that end-user's designated area of Apple's HomeKit Database.

"**HomeKit Database**" means Apple's repository for storing and managing information about an end-user's Licensed HomeKit Accessories and associated information.

"**iCloud**" or "**iCloud service**" means the iCloud online service provided by Apple that includes remote online storage.

"**iCloud Storage APIs**" means the Documented APIs that allow storage and/or retrieval of user-generated documents and other files, and allow storage and/or retrieval of key value data (e.g., a list of stocks in a finance App, settings for an App) for Applications and Web Software through the use of iCloud.

"**In-App Purchase API**" means the Documented API that enables additional content, functionality or services to be delivered or made available for use within an Application with or without an additional fee.

"**Intermediary Party**" means a party that passes an Apple Pay end-user's Apple Pay Payload to a Merchant for processing such end-user's payment transaction outside of an Application.

"**iOS**" means the iOS operating system software provided by Apple for use by You only in connection with Your Application development and testing, including any successor versions thereof.

"**iOS Product**" means an Apple-branded product that runs iOS or iPadOS.

"**iPadOS**" means the iPadOS operating system software provided by Apple for use by You only in connection with Your Application development and testing, including any successor versions thereof.

"**iPod Accessory Protocol**" or "**iAP**" means Apple's proprietary protocol for communicating with supported Apple-branded products and which is licensed under the MFi Program.

"**Library**" means a code module that cannot be installed or executed separately from an Application and that is developed by You in compliance with the Documentation and Program Requirements only for use with iOS Products, Apple Watch, or Apple TV.

"**Licensed Application**" means an Application that (a) meets and complies with all of the Documentation and Program Requirements, and (b) has been selected and digitally signed by Apple for distribution, and includes any additional permitted functionality, content or services provided by You from within an Application using the In-App Purchase API.

"**Licensed Application Information**" means screenshots, images, artwork, previews, icons and/or any other text, descriptions, representations or information relating to a Licensed Application that You provide to Apple for use in accordance with Schedule 1, or, if applicable, Schedule 2 or Schedule 3.

"**Licensed HomeKit Accessories**" means hardware accessories licensed under the MFi Program that support the HomeKit Accessory Protocol.

"**Local Notification**" means a message, including any content or data therein, that Your Application delivers to end-users at a pre-determined time or when Your Application is running in the background and another application is running in the foreground.

"**macOS**" means the macOS operating system software provided by Apple for use by You, including any successor versions thereof.

"**Map Data**" means any content, data or information provided through the Apple Maps Service including, but not limited to, imagery, terrain data, latitude and longitude coordinates, transit data, points of interest and traffic data.

"**MapKit API**" means the Documented API that enables You to add mapping features or functionality to Applications.

"**MapKit JS**" means the JavaScript library that enables You to add mapping features or functionality to Your Applications, websites, or web applications.

"**Merchant**" means a party who processes Apple Pay payment transactions under their own name, trademark, or brand (e.g., their name shows up on the end-user's credit card statement).

"**MFi Accessory**" means a non-Apple branded hardware device that interfaces, communicates, or otherwise interoperates with or controls an Apple-branded product using technology licensed under the MFi Program (e.g., the ability to control a supported Apple-branded product through the iPod Accessory Protocol).

"**MFi Licensee**" means a party who has been granted a license by Apple under the MFi Program.

"**MFi Program**" means a separate Apple program that offers developers, among other things, a license to incorporate or use certain Apple technology in or with hardware accessories or devices for purposes of interfacing, communicating or otherwise interoperating with or controlling select Apple-branded products.

"**Motion & Fitness APIs**" means the Documented APIs that are controlled by the Motion & Fitness privacy setting in a compatible Apple-branded product and that enable access to motion and fitness sensor data (e.g., body motion, step count, stairs climbed), unless the end-user has disabled access to such data.

"**Multitasking**" means the ability of Applications to run in the background while other Applications are also running.

"**MusicKit APIs**" means the set of APIs that enable Apple Music users to access their subscription through Your Application or as otherwise permitted by Apple in the Documentation.

"**MusicKit Content**" means music, video, and/or graphical content rendered through the MusicKit APIs.

"**MusicKit JS**" means the JavaScript library that enables Apple Music users to access their subscription through Your Applications, websites, or web applications.

"**Network Extension Framework**" means the Documented APIs that provide Applications with the ability to customize certain networking features of compatible Apple-branded products (e.g., customizing the authentication process for WiFi Hotspots, VPN features, and content filtering mechanisms).

"**Pass(es)**" means one or more digital passes (e.g., movie tickets, coupons, loyalty reward vouchers, boarding passes, membership cards, etc.) developed by You under this Agreement, under Your own trademark or brand, and which are signed with Your Pass Type ID.

"**Pass Information**" means the text, descriptions, representations or information relating to a Pass that You provide to or receive from Your end-users on or in connection with a Pass.

"**Pass Type ID**" means the combination of an Apple Certificate and Push Application ID that is used by You to sign Your Passes and/or communicate with the APN.

"**Program**" means the overall Apple development, testing, digital signing, and distribution program contemplated in this Agreement.

"**Program Requirements**" mean the technical, human interface, design, product category, security, performance, and other criteria and requirements specified by Apple, including but not limited to the current set of requirements set forth in **Section 3.3**, as they may be modified from time to time by Apple in accordance with this Agreement.

"**Provisioning Profiles**" means the files (including applicable entitlements or other identifiers) that are provided by Apple for use by You in connection with Your Application development and testing, and limited distribution of Your Applications for use on Registered Devices and/or on Authorized Test Units.

"**Push Application ID**" means the unique identification number or other identifier that Apple assigns to an Application, Pass or Site in order to permit it to access and use the APN.

"**Push Notification**" or "**Safari Push Notification**" means a notification, including any content or data therein, that You transmit to end-users for delivery in Your Application, Your Pass, and/or in the case of macOS, to the macOS desktop of users of Your Site who have opted in to receive such messages through Safari on macOS.

"**Registered Devices**" means Apple-branded hardware units owned or controlled by You, or owned by individuals who are affiliated with You, where such Products have been specifically registered with Apple under this Program.

"**Safari Extensions**" means one or more software extensions developed by You under this Agreement only for use with Safari in compliance with this Agreement.

"**Security Solution**" means the proprietary Apple content protection system marketed as Fairplay, to be applied to Licensed Applications distributed on the App Store to administer Apple's standard usage rules for Licensed Applications, as such system and rules may be modified by Apple from time to time.

"**ShazamKit APIs**" means the Documented APIs that enable You to add audio-based recognition features or functionality to Your Application and Corresponding Products.

"**ShazamKit Content**" means metadata, music, and/or graphical content provided by Apple and rendered through the ShazamKit APIs, including but not limited to MusicKit Content.

"**Sign In with Apple**" means the Documented APIs and JavaScript libraries that allow You to log users into Your Application (and Corresponding Products) with their Apple ID or anonymized credentials.

"**Single Sign-on Specification**" means the Documentation provided by Apple hereunder for the Single Sign-On API, as updated from time to time.

"**SiriKit**" means the set of APIs that allow Your Application to access or provide SiriKit domains, intents, shortcuts, donations, and other related functionality, as set forth in the Documentation.

"**Site**" means a website provided by You under Your own name, trademark or brand.

"**Term**" means the period described in **Section 11**.

"**TestFlight**" means Apple's beta testing service for pre-release Applications made available through Apple's TestFlight Application.

"**TestFlight Application**" means Apple's application that enables the distribution of pre-release versions of Your Applications to a limited number of Your Authorized Developers and to a limited number of Beta Testers (as specified in App Store Connect) through TestFlight.

"**TV App API**" means the API documented in the TV App Specification that enables You to provide Apple with TV App Data.

"**TV App Data**" means the data described in the TV App Specification to be provided to Apple through the TV App API.

"**TV App Features**" means functionality accessible via the TV App and/or tvOS, iOS, iPadOS, and/or macOS devices, which functionality provides the user the ability to view customized information and recommendations regarding content and to access such content through the user's apps, and/or provides the user the ability to continue play of previously viewed content.

"**TV App Specification**" means the Documentation provided by Apple hereunder for the TV App API, as updated from time to time.

"**tvOS**" means the tvOS operating system software, including any successor versions thereof.

"**Updates**" means bug fixes, updates, upgrades, modifications, enhancements, supplements, and new releases or versions of the Apple Software or Services, or to any part of the Apple Software or Services.

"**Wallet**" means Apple's application that has the ability to store and display Passes for use on iOS Products, Apple Watch, or Safari on macOS.

"**WatchKit Extension**" means an extension bundled as part of Your Application that accesses the WatchKit framework on iOS to run and display a WatchKit app on the watchOS.

"**watchOS**" means the watchOS operating system software, including any successor versions thereof.

"**Web Software**" means web-based versions of Your software applications that have the same title and substantially equivalent features and functionality as Your Licensed Application (e.g., feature parity).

"**Website Push ID**" means the combination of an Apple Certificate and Push Application ID that is used by You to sign Your Site's registration bundle and/or communicate with the APN.

"**Xcode Cloud**" or "**Xcode Cloud Service**" means Apple's cloud hosted continuous integration and delivery service and related technologies.

"**Xcode Cloud Content**" means the software, tests, scripts, data, information, text, graphics, videos, or other content that You post or make available when accessing or using the Xcode Cloud Service (including any software residing in source code repositories to which You provide log-in credentials), excluding any Apple materials licensed to You.

"**You**" and "**Your**" means and refers to the person(s) or legal entity (whether the company, organization, educational institution, or governmental agency, instrumentality, or department) that has accepted this Agreement under its own developer account and that is using the Apple Software or otherwise exercising rights under this Agreement.

Note: For the sake of clarity, You may authorize contractors to develop Applications on Your behalf, but any such Applications must be owned by You, submitted under Your own developer account, and distributed as Applications only as expressly permitted herein. You are responsible to Apple for Your contractors' activities under Your account (e.g., adding them to Your team to perform development work for You) and their compliance with this Agreement. Any actions undertaken by Your contractors arising out of this Agreement shall be deemed to have been taken by You, and You (in addition to Your contractors) shall be responsible to Apple for all such actions.

2. Internal Use License and Restrictions

2.1 Permitted Uses and Restrictions; Program services

Subject to the terms and conditions of this Agreement, Apple hereby grants You during the Term, a limited, non-exclusive, personal, revocable, non-sublicensable and non-transferable license to:

(a) Install a reasonable number of copies of the Apple Software provided to You under the Program on Apple-branded products owned or controlled by You, to be used internally by You or Your Authorized Developers for the sole purpose of developing or testing Covered Products designed to operate on the applicable Apple-branded products, except as otherwise expressly permitted in this Agreement;

(b) Make and distribute a reasonable number of copies of the Documentation to Authorized Developers for their internal use only and for the sole purpose of developing or testing Covered Products, except as otherwise expressly permitted in this Agreement;

(c) Install a Provisioning Profile on each of Your Authorized Test Units, up to the number of Authorized Test Units that You have registered and acquired licenses for, to be used internally by You or Your Authorized Developers for the sole purpose of developing and testing Your Applications, except as otherwise expressly permitted in this Agreement;

(d) Install a Provisioning Profile on each of Your Registered Devices, up to the limited number of Registered Devices that You have registered and acquired licenses for, for the sole purpose of enabling the distribution and use of Your Applications on such Registered Devices; and

(e) Incorporate the Apple Certificates issued to You pursuant to this Agreement for purposes of digitally signing Your Applications, Passes, Safari Extensions, Safari Push Notifications, and as otherwise expressly permitted by this Agreement.

Apple reserves the right to set the limited number of Apple-branded products that each Licensee may register with Apple and obtain licenses for under this Program (a "**Block of Registered Device Licenses**"). For the purposes of limited distribution on Registered Devices under **Section 7.3 (Ad Hoc distribution)**, each company, organization, educational institution or affiliated group may only acquire one (1) Block of Registered Device Licenses per company, organization, educational institution or group, unless otherwise agreed in writing by Apple. You agree not to knowingly acquire, or to cause others to

acquire, more than one Block of Registered Device Licenses for the same company, organization, educational institution or group. Apple may provide access to services by or through the Program for You to use with Your developer account (e.g., device or app provisioning, managing teams or other account resources). You agree to access such services only through the Program web portal (which is accessed through Apple's developer website) or through Apple-branded products that are designed to work in conjunction with the Program (e.g., Xcode, App Store Connect, Swift Playgrounds) and only as authorized by Apple. If You (or Your Authorized Developers) access Your developer account through these other Apple-branded products, You acknowledge and agree that this Agreement shall continue to apply to any use of Your developer account and to any features or functionality of the Program that are made available to You (or Your Authorized Developers) in this manner (e.g., Apple Certificates and Provisioning Profiles can be used only in the limited manner permitted herein, etc.). You agree not to create or attempt to create a substitute or similar service through use of or access to the services provided by or through the Program. If Apple provides power and performance metrics for Your Application, You agree that such metrics may be used solely for Your own internal use and may not be provided to any third party (except as set forth in **Section 2.9**). Further, You may only access such services using the Apple ID associated with Your developer account or authentication credentials (e.g., keys, tokens, password) associated with Your developer account, and You are fully responsible for safeguarding Your Apple ID and authentication credentials from compromise and for using them only as authorized by Apple and in accordance with the terms of this Agreement, including but not limited to **Section 2.8** and **5**. Except as otherwise expressly permitted herein, You agree not to share, sell, resell, rent, lease, lend, or otherwise provide access to Your developer account or any services provided therewith, in whole or in part, to anyone who is not an Authorized Developer on Your team, and You agree not to solicit or request Apple Developer Program members to provide You with their Apple IDs, authentication credentials, and/or related account information and materials (e.g., Apple Certificates used for distribution or submission to the App Store or TestFlight). You understand that each team member must have their own Apple ID or authentication credentials to access Your account, and You shall be fully responsible for all activity performed through or in connection with Your account. To the extent that You own or control an Apple-branded computer running Apple's macOS Server or Xcode Server ("**Server**") and would like to use it for Your own development purposes in connection with the Program, You agree to use Your own Apple ID or other authentication credentials for such Server, and You shall be responsible for all actions performed by such Server.

2.2 Authorized Test Units and Pre-Release Apple Software

As long as an Authorized Test Unit contains any pre-release versions of the Apple Software or uses pre-release versions of Services, You agree to restrict access to such Authorized Test Unit to Your Authorized Developers and to not disclose, show, rent, lease, lend, sell or otherwise transfer such Authorized Test Unit to any third party. You further agree to take reasonable precautions to safeguard, and to instruct Your Authorized Developers to safeguard, all Authorized Test Units from loss or theft. Further, subject to the terms of this Agreement, You may deploy Your Applications to Your Authorized Developers for use on a limited number of Authorized Test Units for Your own internal testing and development purposes.

You acknowledge that by installing any pre-release Apple Software or using any pre-release Services on Your Authorized Test Units, these Units may be "locked" into testing mode and may not be capable of being restored to their original condition. Any use of any pre-release Apple Software or pre-release Services are for evaluation and development purposes only, and You should not

use any pre-release Apple Software or pre-release Services in a commercial operating environment or with important data. You should back up any data prior to using the pre-release Apple Software or pre-release Services. Apple shall not be responsible for any costs, expenses or other liabilities You may incur as a result of provisioning Your Authorized Test Units and Registered Devices, Your Covered Product development or the installation or use of this Apple Software or any pre-release Apple Services, including but not limited to any damage to any equipment, or any damage, loss, or corruption of any software, information or data.

2.3 Confidential Nature of Pre-Release Apple Software and Services

From time to time during the Term, Apple may provide You with pre-release versions of the Apple Software or Services that constitute Apple Confidential Information and are subject to the confidentiality obligations of this Agreement, except as otherwise set forth herein. Such pre-release Apple Software and Services should not be relied upon to perform in the same manner as a final-release, commercial-grade product, nor used with data that is not sufficiently and regularly backed up, and may include features, functionality or APIs for software or services that are not yet available. You acknowledge that Apple may not have publicly announced the availability of such pre-release Apple Software or Services, that Apple has not promised or guaranteed to You that such pre-release software or services will be announced or made available to anyone in the future, and that Apple has no express or implied obligation to You to announce or commercially introduce such software or services or any similar or compatible technology. You expressly acknowledge and agree that any research or development that You perform with respect to pre-release versions of the Apple Software or Services is done entirely at Your own risk.

2.4 Copies

You agree to retain and reproduce in full the Apple copyright, disclaimers and other proprietary notices (as they appear in the Apple Software and Documentation provided) in all copies of the Apple Software and Documentation that You are permitted to make under this Agreement.

2.5 Ownership

Apple retains all rights, title, and interest in and to the Apple Software, Services, and any Updates it may make available to You under this Agreement. You agree to cooperate with Apple to maintain Apple's ownership of the Apple Software and Services, and, to the extent that You become aware of any claims relating to the Apple Software or Services, You agree to use reasonable efforts to promptly provide notice of any such claims to Apple. The parties acknowledge that this Agreement does not give Apple any ownership interest in Your Covered Products.

2.6 No Other Permitted Uses

Except as otherwise set forth in this Agreement, You agree not to rent, lease, lend, upload to or host on any website or server, sell, redistribute, or sublicense the Apple Software, Apple Certificates, or any Services, in whole or in part, or to enable others to do so. You may not use the Apple Software, Apple Certificates, or any Services provided hereunder for any purpose not expressly permitted by this Agreement, including any applicable Attachments and Schedules. You agree not to install, use or run the Apple SDKs on any non-Apple-branded computer, and not to install, use or run iOS, watchOS, tvOS, iPadOS, macOS and Provisioning Profiles on or in connection with devices other than Apple-branded products, or to enable others to do so. You may not and You agree not to, or to enable others to, copy

(except as expressly permitted under this Agreement), decompile, reverse engineer, disassemble, attempt to derive the source code of, modify, decrypt, or create derivative works of the Apple Software, Apple Certificates or any Services provided by the Apple Software or otherwise provided hereunder, or any part thereof (except as and only to the extent any foregoing restriction is prohibited by applicable law or to the extent as may be permitted by licensing terms governing use of open-sourced components or sample code included with the Apple Software). You agree not to exploit any Apple Software, Apple Certificates, or Services provided hereunder in any unauthorized way whatsoever, including but not limited to, by trespass or burdening network capacity, or by harvesting or misusing data provided by such Apple Software, Apple Certificates, or Services. Any attempt to do so is a violation of the rights of Apple and its licensors of the Apple Software or Services. If You breach any of the foregoing restrictions, You may be subject to prosecution and damages. All licenses not expressly granted in this Agreement are reserved and no other licenses, immunity or rights, express or implied are granted by Apple, by implication, estoppel, or otherwise. This Agreement does not grant You any rights to use any trademarks, logos or service marks belonging to Apple, including but not limited to the iPhone or iPod word marks. If You make reference to any Apple products or technology or use Apple's trademarks, You agree to comply with the published guidelines at https://www.apple.com/legal/intellectual-property/guidelinesfor3rdparties.html, as they may be modified by Apple from time to time.

2.7 FPS SDK and FPS Deployment Package

You may use the FPS SDK to develop and test a server-side implementation of FPS, solely for use with video streamed by You (or on Your behalf) through Your Applications, or video downloaded for viewing through Your Applications, on iOS Products and/or Apple TV, through Safari on macOS, or as otherwise approved by Apple in writing (collectively, "**Authorized FPS Applications**"). You understand that You will need to request the FPS Deployment Package on the Program web portal prior to any production or commercial use of FPS. As part of such request, You will need to submit information about Your requested use of FPS. Apple will review Your request and reserves the right to not provide You with the FPS Deployment Package at its sole discretion, in which case You will not be able to deploy FPS. Any development and testing You perform with the FPS SDK is at Your own risk and expense, and Apple will not be liable to You for such use or for declining Your request to use FPS in a production or commercial environment.

If Apple provides You with the FPS Deployment Package, You agree to use it solely as approved by Apple and only in connection with video content streamed by You (or on Your behalf) to Authorized FPS Applications or downloaded for viewing through Your Authorized FPS Applications. Except as permitted in **Section 2.9 (Third-Party Service Providers)**, You will not provide the FPS Deployment Package to any third party or sublicense, sell, resell, lease, disclose, or re-distribute the FPS Deployment Package or FPS SDK to any third party (or any implementation thereof) without Apple's prior written consent.

You acknowledge and agree that the FPS Deployment Package (including the set of FPS production keys) is Apple Confidential Information as set forth in **Section 9 (Confidentiality)**. Further, such FPS keys are unique to Your company or organization, and You are solely responsible for storing and protecting them. You may use such FPS keys solely for the purpose of delivering and protecting Your content key that is used to decrypt video content streamed by You to Authorized FPS Applications or downloaded for viewing through Your Authorized FPS Applications. Apple will have no liability or responsibility for unauthorized access to or use of any FPS key or any content streamed or otherwise delivered under this Agreement in connection with FPS. In the event that Your FPS key is disclosed,

discovered, misappropriated or lost, You may request that Apple revoke it by emailing product-security@apple.com, and You understand that Apple will have no obligation to provide a replacement key. Apple reserves the right to revoke Your FPS key at any time if requested by You, in the event of a breach of this Agreement by You, if otherwise deemed prudent or reasonable by Apple, or upon expiration or termination of this Agreement for any reason.

You acknowledge and agree that Apple reserves the right to revoke or otherwise remove Your access to and use of FPS (or any part thereof) at any time in its sole discretion. Further, Apple will have no obligation to provide any modified, updated or successor version of the FPS Deployment Package or the FPS SDK to You and will have no obligation to maintain compatibility with any prior version. If Apple makes new versions of the FPS Deployment Package or FPS SDK available to You, then You agree to update to them within a reasonable time period if requested to do so by Apple.

2.8 Use of Apple Services

Apple may provide access to Apple Services that Your Covered Products may call through APIs in the Apple Software and/or that Apple makes available to You through other mechanisms, e.g., through the use of keys that Apple may make accessible to You under the Program. You agree to access such Apple Services only through the mechanisms provided by Apple for such access and only for use on Apple-branded products. Except as permitted in **Section 2.9 (Third-Party Service Providers)** or as otherwise set forth herein, You agree not to share access to mechanisms provided to You by Apple for the use of the Services with any third party. Further, You agree not to create or attempt to create a substitute or similar service through use of or access to the Apple Services.

You agree to access and use such Services only as necessary for providing services and functionality for Your Covered Products that are eligible to use such Services and only as permitted by Apple in writing, including in the Documentation. You may not use the Apple Services in any manner that is inconsistent with the terms of this Agreement or that infringes any intellectual property rights of a third party or Apple, or that violates any applicable laws or regulations. You agree that the Apple Services contain proprietary content, information and material owned by Apple and its licensors, and protected by applicable intellectual property and other laws. You may not use such proprietary content, information or materials in any way whatsoever, except for the permitted uses of the Apple Services under this Agreement, or as otherwise agreed by Apple in writing.

You understand there may be storage capacity, transmission, and/or transactional limits for the Apple Services both for You as a developer and for Your end-users. If You reach or Your end-user reaches such limits, then You or Your end-user may be unable to use the Apple Services or may be unable to access or retrieve data from such Services through Your Covered Products or through the applicable end-user accounts. You agree not to charge any fees to end-users solely for access to or use of the Apple Services through Your Covered Products or for any content, data or information provided therein, and You agree not to sell access to the Apple Services in any way. You agree not to fraudulently create any end-user accounts or induce any end-user to violate the terms of their applicable end-user terms or service agreement with Apple or to violate any Apple usage policies for such end-user services. Except as expressly set forth herein, You agree not to interfere with an end-user's ability to access or use any such services.

Apple reserves the right to change, suspend, deprecate, deny, limit, or disable access to the Apple Services, or any part thereof, at any time without notice (including but not limited to revoking entitlements or changing any APIs in the Apple Software that enable access to the Services or not providing You with an entitlement). In no event will Apple be liable for the removal of or disabling of access to any of the foregoing. Apple may also impose limits and restrictions on the use of or access to the Apple Services, may remove the Apple Services for indefinite time periods, may revoke Your access to the Apple Services, or may cancel the Apple Services (or any part thereof) at any time without notice or liability to You and in its sole discretion.

Apple does not guarantee the availability, accuracy, completeness, reliability, or timeliness of any data or information displayed by any Apple Services. To the extent You choose to use the Apple Services with Your Covered Products, You are responsible for Your reliance on any such data or information. You are responsible for Your use of the Apple Software and Apple Services, and if You use such Services, then it is Your responsibility to maintain appropriate alternate backup of all Your content, information and data, including but not limited to any content that You may provide to Apple for hosting as part of Your use of the Services. You understand and agree that You may not be able to access certain Apple Services upon expiration or termination of this Agreement and that Apple reserves the right to suspend access to or delete content, data or information that You or Your Covered Product have stored through Your use of such Services provided hereunder. You should review the Documentation and policy notices posted by Apple prior to using any Apple Services.

Apple Services may not be available in all languages or in all countries, and Apple makes no representation that any such Services would be appropriate, accurate or available for use in any particular location or product. To the extent You choose to use the Apple Services with Your Applications, You do so at Your own initiative and are responsible for compliance with any applicable laws. Apple reserves the right to charge fees for Your use of the Apple Services. Apple will inform You of any Apple Service fees or fee changes by email and information about such fees will be posted in the Program web portal, App Store Connect, or the CloudKit console.

Apple Service availability and pricing are subject to change. Further, Apple Services may not be made available for all Covered Products and may not be made available to all developers. Apple reserves the right to not provide (or to cease providing) the Apple Services to any or all developers at any time in its sole discretion.

2.9 Third-Party Service Providers

Unless otherwise prohibited by Apple in the Documentation or this Agreement, You are permitted to employ or retain a third party ("**Service Provider**") to assist You in using the Apple Software and Services provided pursuant to this Agreement, including, but not limited to, engaging any such Service Provider to maintain and administer Your Applications' servers on Your behalf, provided that any such Service Provider's use of the Apple Software and Services or any materials associated therewith is done solely on Your behalf and only in accordance with these terms. Notwithstanding the foregoing, You may not use a Service Provider to submit an Application to the App Store or use TestFlight on Your behalf. You agree to have a binding written agreement with Your Service Provider with terms at least as restrictive and protective of Apple as those set forth herein. Any actions undertaken by any such Service Provider in relation to Your Applications or use of the Apple Software or Apple Services and/or arising out of this Agreement shall be deemed to have been taken by You, and You (in addition to the Service Provider)

shall be responsible to Apple for all such actions (or any inactions). In the event of any actions or inactions by the Service Provider that would constitute a violation of this Agreement or otherwise cause any harm, Apple reserves the right to require You to cease using such Service Provider.

2.10 Updates; No Support or Maintenance

Apple may extend, enhance, or otherwise modify the Apple Software or Services (or any part thereof) provided hereunder at any time without notice, but Apple shall not be obligated to provide You with any Updates to the Apple Software or Services. If Updates are made available by Apple, the terms of this Agreement will govern such Updates, unless the Update is accompanied by a separate license in which case the terms of that license will govern. You understand that such modifications may require You to change or update Your Covered Products. Further, You acknowledge and agree that such modifications may affect Your ability to use, access, or interact with the Apple Software and Services. Apple is not obligated to provide any maintenance, technical or other support for the Apple Software or Services. You acknowledge that Apple has no express or implied obligation to announce or make available any Updates to the Apple Software or to any Services to anyone in the future. Should an Update be made available, it may have APIs, features, services or functionality that are different from those found in the Apple Software licensed hereunder or the Services provided hereunder.

3. Your Obligations

3.1 General

You certify to Apple and agree that:

(a) You are of the legal age of majority in the jurisdiction in which You reside (at least 18 years of age in many countries) and have the right and authority to enter into this Agreement on Your own behalf, or if You are entering into this Agreement on behalf of Your company, organization, educational institution, or agency, instrumentality, or department of the federal government, that You have the right and authority to legally bind such entity or organization to the terms and obligations of this Agreement;

(b) All information provided by You to Apple or Your end-users in connection with this Agreement or Your Covered Products, including without limitation Licensed Application Information or Pass Information, will be current, true, accurate, supportable and complete and, with regard to information You provide to Apple, You will promptly notify Apple of any changes to such information. Further, You agree that Apple may share such information (including email address and mailing address) with third parties who have a need to know for purposes related thereto (e.g., intellectual property questions, customer service inquiries, etc.);

(c) You will comply with the terms of and fulfill Your obligations under this Agreement, including obtaining any required consents for Your Authorized Developers' use of the Apple Software and Services, and You agree to monitor and be fully responsible for all such use by Your Authorized Developers and their compliance with the terms of this Agreement;

(d) You will be solely responsible for all costs, expenses, losses and liabilities incurred, and activities undertaken by You and Your Authorized Developers in connection with the Apple Software and Apple Services, the Authorized Test Units, Registered Devices, Your Covered Products and Your related development and distribution efforts, including, but not limited to, any related development efforts, network and server equipment, Internet service(s), or any other hardware, software or services used by You in connection with Your use of any services;

(e) For the purposes of Schedule 1 (if applicable), You represent and warrant that You own or control the necessary rights in order to appoint Apple and Apple Subsidiaries as Your worldwide agent for the delivery of Your Licensed Applications, and that the fulfillment of such appointment by Apple and Apple Subsidiaries shall not violate or infringe the rights of any third party; and

(f) You will not act in any manner which conflicts or interferes with any existing commitment or obligation You may have and no agreement previously entered into by You will interfere with Your performance of Your obligations under this Agreement.

3.2 Use of the Apple Software and Apple Services

As a condition to using the Apple Software and any Apple Services, You agree that:

(a) You will use the Apple Software and any services only for the purposes and in the manner expressly permitted by this Agreement and in accordance with all applicable laws and regulations;

(b) You will not use the Apple Software or any Apple Services: (1) for any unlawful or illegal activity, nor to develop any Covered Product, which would commit or facilitate the commission of a crime, or other tortious, unlawful or illegal act; (2) to threaten, incite, or promote violence, terrorism, or other serious harm; or (3) to create or distribute any content or activity that promotes child sexual exploitation or abuse.

(c) Your Application, Library and/or Pass will be developed in compliance with the Documentation and the Program Requirements, the current set of which is set forth in **Section 3.3** below;

(d) To the best of Your knowledge and belief, Your Covered Products, Licensed Application Information, Xcode Cloud Content, and Pass Information do not and will not violate, misappropriate, or infringe any Apple or third party copyrights, trademarks, rights of privacy and publicity, trade secrets, patents, or other proprietary or legal rights (e.g., musical composition or performance rights, video rights, photography or image rights, logo rights, third party data rights, etc. for content and materials that may be included in Your Application);

(e) You will not, through use of the Apple Software, Apple Certificates, Apple Services or otherwise, create any Covered Product or other code or program that would: (1) disable, hack or otherwise interfere with the Security Solution, or any security, digital signing, digital rights management, verification or authentication mechanisms implemented in or by iOS, watchOS, iPadOS, tvOS, the Apple Software, or any Services, or other Apple software or technology, or enable others to do so (except to the extent expressly permitted by Apple in writing); or (2) violate the security, integrity, or availability of any user, network, computer or communications system;

(f) You will not, directly or indirectly, commit any act intended to interfere with any of the Apple Software or Services, the intent of this Agreement, or Apple's business practices including, but not limited to, taking actions that may hinder the performance or intended use of the App Store, Custom App Distribution, TestFlight, Xcode Cloud, Ad Hoc distribution, or the Program (e.g., submitting fraudulent reviews of Your own Application or any third party application, choosing a name for Your Application that is substantially similar to the name of a third party application in order to create consumer confusion, or

squatting on application names to prevent legitimate third party use). Further, You will not engage, or encourage others to engage, in any unlawful, unfair, misleading, fraudulent, improper, or dishonest acts or business practices relating to Your Covered Products (e.g., engaging in bait-and-switch pricing, consumer misrepresentation, deceptive business practices, or unfair competition against other developers); and

(g) Applications for iOS Products, Apple Watch, or Apple TV developed using the Apple Software may be distributed only if selected by Apple (in its sole discretion) for distribution via the App Store, Custom App Distribution, for beta distribution through TestFlight, or through Ad Hoc distribution as contemplated in this Agreement. Passes developed using the Apple Software may be distributed to Your end-users via email, a website or an Application in accordance with the terms of this Agreement, including Attachment 5. Safari Extensions signed with an Apple Certificate may be distributed to Your end-users in accordance with the terms of this Agreement, including Attachment 7. Applications for macOS may be distributed outside of the App Store using Apple Certificates and/or tickets as set forth in **Section 5.3** and **5.4**.

3.3 Program Requirements

Any Application that will be submitted to the App Store, Custom App Distribution, or TestFlight, or that will be distributed through Ad Hoc distribution, must be developed in compliance with the Documentation and the Program Requirements, the current set of which is set forth below in this **Section 3.3**. Libraries and Passes are subject to the same criteria:

APIs and Functionality:

3.3.1 Applications may only use Documented APIs in the manner prescribed by Apple and must not use or call any private APIs. Further, macOS Applications submitted to Apple for distribution on the App Store may use only Documented APIs included in the default installation of macOS, as bundled with Xcode and the Mac SDK, or as bundled with Swift Playgrounds; deprecated technologies (such as Java) may not be used.

3.3.2 Except as set forth in the next paragraph, an Application may not download or install executable code. Interpreted code may be downloaded to an Application but only so long as such code: (a) does not change the primary purpose of the Application by providing features or functionality that are inconsistent with the intended and advertised purpose of the Application as submitted to the App Store, (b) does not create a store or storefront for other code or applications, and (c) does not bypass signing, sandbox, or other security features of the OS.

An Application that is a programming environment intended for use in learning how to program may download and run executable code so long as the following requirements are met: (i) no more than 80 percent of the Application's viewing area or screen may be taken over with executable code, except as otherwise permitted in the Documentation, (ii) the Application must present a reasonably conspicuous indicator to the user within the Application to indicate that the user is in a programming environment, (iii) the Application must not create a store or storefront for other code or applications, and (iv) the source code provided by the Application must be completely viewable and editable by the user (e.g., no pre-compiled libraries or frameworks may be included with the code downloaded).

3.3.3 Without Apple's prior written approval or as permitted under **Section 3.3.25 (In-App Purchase API)**, an Application may not provide, unlock or enable additional features or functionality through distribution mechanisms other than the App Store, Custom App Distribution or TestFlight.

3.3.4 An Application for iOS, watchOS, iPadOS, or tvOS may only read data from or write data to an Application's designated container area on the device, except as otherwise specified by Apple. For macOS Applications submitted to Apple for distribution on the App Store: (a) all files necessary for the Application to execute on macOS must be in the Application bundle submitted to Apple and must be installed by the App Store; (b) all localizations must be in the same Application bundle and may not include a suite or collection of independent applications within a single Application bundle; (c) native user interface elements or behaviors of macOS (e.g., the system menu, window sizes, colors, etc.) may not be altered, modified or otherwise changed; (d) You may not use any digital rights management or other copy or access control mechanisms in such Applications without Apple's written permission or as specified in the Documentation; and (e) except as otherwise permitted by **Section 3.3.25 (In-App Purchase API)**, such Applications may not function as a distribution mechanism for software and may not include features or functionality that create or enable a software store, distribution channel or other mechanism for software delivery within such Applications (e.g., an audio application may not include an audio filter plug-in store within the Application).

3.3.5 An Application for an iOS Product must have at least the same features and functionality when run by a user in compatibility mode on an iPad (e.g., an iPhone app running in an equivalent iPhone-size window on an iPad must perform in substantially the same manner as when run on the iPhone; provided that this obligation will not apply to any feature or functionality that is not supported by a particular hardware device, such as a video recording feature on a device that does not have a camera). Further, You agree not to interfere or attempt to interfere with the operation of Your Application in compatibility mode.

3.3.6 You may use the Multitasking services only for their intended purposes as described in the Documentation.

User Interface, Data Collection, Local Laws and Privacy:

3.3.7 Applications must comply with the Human Interface Guidelines (HIG) and other Documentation provided by Apple. You agree to follow the HIG to develop an appropriate user interface and functionality for Your Application that is compatible with the design of Apple-branded products (e.g., a watch App should have a user interface designed for quick interactions in accordance with the HIG's watchOS design themes).

3.3.8 If Your Application captures or makes any video, microphone, screen recordings, or camera recordings, whether saved on the device or sent to a server (e.g., an image, photo, voice or speech capture, or other recording) (collectively "**Recordings**"), a reasonably conspicuous audio, visual or other indicator must be displayed to the user as part of the Application to indicate that a Recording is taking place.

- In addition, any form of data, content or information collection, processing, maintenance, uploading, syncing, storage, transmission, sharing, disclosure or use performed by, through or in connection with Your Application must comply with all applicable privacy laws and regulations as well as any related Program Requirements, including but not limited to any notice or consent requirements.

3.3.9 You and Your Applications (and any third party with whom You have contracted to serve advertising) may not collect user or device data without prior user consent, whether such data is obtained directly from the user or through the use of the Apple Software, Apple Services, or Apple SDKs, and then only to provide a service or function that is directly relevant to the use of the Application, or to serve advertising in accordance with **Sections 3.3.12**. You may not broaden or otherwise change the scope of usage for previously collected user or device data without obtaining prior user consent for such expanded or otherwise changed data collection. You may not use analytics software in Your Application to collect and send device data to a third party. Further, neither You nor Your Application will use any permanent, device-based identifier, or any data derived therefrom, for purposes of uniquely identifying a device.

3.3.10 You must provide clear and complete information to users regarding Your collection, use and disclosure of user or device data, e.g., a description of Your use of user and device data in the App Description on the App Store. Furthermore, You must take appropriate steps to protect such data from unauthorized use, disclosure or access by third parties. If a user ceases to consent or affirmatively revokes consent for Your collection, use or disclosure of such user's device or user data, You (and any third party with whom You have contracted to serve advertising) must promptly cease all such use. You must provide a privacy policy in Your Application, on the App Store, and/or on Your website explaining Your collection, use, disclosure, sharing, retention, and deletion of user or device data. You agree to notify Your users, in accordance with applicable law, in the event of a data breach in which user data collected from Your Application is compromised (e.g., You will send an email notifying Your users if there has been an unintentional disclosure or misuse of their user data).

3.3.11 Applications must comply with all applicable criminal, civil and statutory laws and regulations, including those in any jurisdictions in which Your Applications may be offered or made available. In addition:

- You and the Application must comply with all applicable privacy and data collection laws and regulations with respect to any collection, use or disclosure of user or device data (e.g., a user's IP address, the name of the user's device, and any installed apps associated with a user);
- Applications may not be designed or marketed for the purpose of harassing, abusing, spamming, stalking, threatening or otherwise violating the legal rights (such as the rights of privacy and publicity) of others;
- Neither You nor Your Application may perform any functions or link to any content, services, information or data or use any robot, spider, site search or other retrieval application or device to scrape, mine, retrieve, cache, analyze or index software, data or services provided by Apple or its licensors, or obtain (or try to obtain) any such data, except the data that Apple expressly provides or makes available to You in connection with such services. You agree that You will not collect, disseminate or use any such data for any unauthorized purpose; and
- If Your Application is intended for human subject research or uses the HealthKit APIs for clinical health-related uses which may involve personal data (e.g., storage of health records), then You agree to inform participants of the intended uses and disclosures of their personally identifiable data as part of such research or clinical health uses and to obtain consent from such participants (or their guardians) who will be using Your Application for such research or clinical health purposes. Further, You shall prohibit third parties to whom You provide any de-identified or coded data from re-identifying (or

attempting to re-identify) any participants using such data without participant consent, and You agree to require that such third parties pass the foregoing restriction on to any other parties who receive such de-identified or coded data.

Advertising Identifier and Preference; Ad Network APIs:

3.3.12 You and Your Applications (and any third party with whom You have contracted to serve advertising) may use the Advertising Identifier, and any information obtained through the use of the Advertising Identifier, only for the purpose of serving advertising. If a user resets the Advertising Identifier, then You agree not to combine, correlate, link or otherwise associate, either directly or indirectly, the prior Advertising Identifier and any derived information with the reset Advertising Identifier. For Applications compiled for any Apple-branded product providing access to the Ad Support APIs, You agree to check a user's Advertising Preference prior to serving any advertising using the Advertising Identifier, and You agree to abide by a user's setting in the Advertising Preference in Your use of the Advertising Identifier. In addition, You may request to use the Ad Network APIs to track application advertising conversion events. If You are granted permission to use the Ad Network APIs, You agree not to use such APIs, or any information obtained through the use of the Ad Network APIs, for any purpose other than verifying ad validation information as part of an advertising conversion event. You agree not to combine, correlate, link, or otherwise associate, either directly or indirectly, information that is provided as part of the ad validation through the use of the Ad Network APIs with other information You may have about a user. Apple reserves the right to reject any requests to use the Ad Network APIs, in its sole discretion.

Location and Maps; User Consents:

3.3.13 Applications that use location-based APIs (e.g., Core Location, MapKit API) or otherwise provide location-based services may not be designed or marketed for automatic or autonomous control of vehicle behavior, or for emergency or life-saving purposes.

3.3.14 Applications that offer location-based services or functionality, or that otherwise obtain a user's location through the use of the Apple Software or Apple Services, must notify and obtain consent from a user before a user's location data is collected, transmitted or otherwise used by the Application and then such data must be used only as consented to by the user and as permitted herein. For example, if You use the "Always" location option in Your Application for the purpose of continuous collection and use of a user's location data, You should provide a clearly defined justification and user benefit that is presented to the user at the time of the permission.

3.3.15 If You choose to provide Your own location-based service, data and/or information in conjunction with the Apple maps provided through the Apple Maps Service (e.g., overlaying a map or route You have created on top of an Apple map), You are solely responsible for ensuring that Your service, data and/or information correctly aligns with any Apple maps used. For Applications that use location-based APIs for real-time navigation (including, but not limited to, turn-by-turn route guidance and other routing that is enabled through the use of a sensor), You must have an end-user license agreement that includes the following notice: YOUR USE OF THIS REAL TIME ROUTE GUIDANCE APPLICATION IS AT YOUR SOLE RISK. LOCATION DATA MAY NOT BE ACCURATE.

3.3.16 Applications must not disable, override or otherwise interfere with any Apple-implemented system alerts, warnings, display panels, consent panels and the like, including, but not limited to, those that are intended to notify the user that the user's location data, address book data, calendar, photos, audio data, and/or reminders are being collected, transmitted, maintained, processed or used, or intended to obtain consent for such use. Further, if You have the ability to add a description in such alerts, warnings, and display panels (e.g., information in the purpose strings for the Camera APIs), any such description must be accurate and not misrepresent the scope of use. If consent is denied or withdrawn, Applications may not collect, transmit, maintain, process or utilize such data or perform any other actions for which the user's consent has been denied or withdrawn.

3.3.17 If Your Application (or Your website or web application, as applicable) uses or accesses the MapKit API or MapKit JS from a device running iOS version 6 or later, Your Application (or Your website or web application, as applicable) will access and use the Apple Maps Service. All use of the MapKit API, MapKit JS, and Apple Maps Service must be in accordance with the terms of this Agreement (including the Program Requirements) and Attachment 6 (Additional Terms for the use of the Apple Maps Service).

Content and Materials:

3.3.18 Any master recordings and musical compositions embodied in Your Application must be wholly-owned by You or licensed to You on a fully paid-up basis and in a manner that will not require the payment of any fees, royalties and/or sums by Apple to You or any third party. In addition, if Your Application will be distributed outside of the United States, any master recordings and musical compositions embodied in Your Application (a) must not fall within the repertoire of any mechanical or performing/communication rights collecting or licensing organization now or in the future and (b) if licensed, must be exclusively licensed to You for Your Application by each applicable copyright owner.

3.3.19 If Your Application includes or will include any other content, You must either own all such content or have permission from the content owner to use it in Your Application.

3.3.20 Applications may be rejected if they contain content or materials of any kind (text, graphics, images, photographs, sounds, etc.) that in Apple's reasonable judgment may be found objectionable or inappropriate, for example, materials that may be considered obscene, pornographic, or defamatory.

3.3.21 Applications must not contain any malware, malicious or harmful code, program, or other internal component (e.g., computer viruses, trojan horses, "backdoors") which could damage, destroy, or adversely affect the Apple Software, services, Apple-branded products, or other software, firmware, hardware, data, systems, services, or networks.

3.3.22 If Your Application includes any FOSS, You agree to comply with all applicable FOSS licensing terms. You also agree not to use any FOSS in the development of Your Application in such a way that would cause the non-FOSS portions of the Apple Software to be subject to any FOSS licensing terms or obligations.

3.3.23 Your Application may include promotional sweepstake or contest functionality provided that You are the sole sponsor of the promotion and that You and Your Application comply with any applicable laws and fulfill any applicable registration requirements in the country or territory where You make Your Application available and the promotion is open. You agree that You are solely responsible for any promotion and any prize, and also agree to clearly state in binding official rules for each promotion that Apple is not a sponsor of, or responsible for conducting, the promotion.

3.3.24 Your Application may include a direct link to a page on Your web site where You include the ability for an end-user to make a charitable contribution, provided that You comply with any applicable laws (which may include providing a receipt), and fulfill any applicable regulation or registration requirements, in the country or territory where You enable the charitable contribution to be made. You also agree to clearly state that Apple is not the fundraiser.

In-App Purchase API:

3.3.25 All use of the In-App Purchase API and related services must be in accordance with the terms of this Agreement (including the Program Requirements) and Attachment 2 (Additional Terms for Use of the In-App Purchase API).

Network Extension Framework:

3.3.26 Your Application must not access the Network Extension Framework unless Your Application is primarily designed for providing networking capabilities, and You have received an entitlement from Apple for such access. You agree to the following if You receive such entitlement:

- You agree to clearly disclose to end-users how You and Your Application will be using their network information and, if applicable, filtering their network data, and You agree to use such data and information only as expressly consented to by the end-user and as expressly permitted herein;
- You agree to store and transmit network information or data from an end-user in a secure and appropriate manner;
- You agree not to divert an end-user's network data or information through any undisclosed, improper, or misleading processes, e.g., to filter it through a website to obtain advertising revenue or spoof a website;
- You agree not to use any network data or information from end-users to bypass or override any end-user settings, e.g., You may not track an end-user's WiFi network usage to determine their location if they have disabled location services for Your Application; and
- Notwithstanding anything to the contrary in **Section 3.3.9**, You and Your Application may not use the Network Extension Framework, or any data or information obtained through the Network Extension Framework, for any purpose other than providing networking capabilities in connection with Your Application (e.g., not for using an end-user's Internet traffic to serve advertising or to otherwise build user profiles for advertising).

Apple reserves the right to not provide You with an entitlement to use the Network Extension Framework in its sole discretion and to revoke such entitlement at any time. In addition, if You would like to use the Access WiFi Information APIs (which provide the WiFi network to which a device is connected), then You must request an entitlement from Apple for such use, and, notwithstanding anything to the contrary in **Section 3.3.9**, You may use such APIs only for providing a service or function that is directly relevant to the Application (e.g., not for serving advertising).

MFi Accessories:

3.3.27 Your Application may interface, communicate, or otherwise interoperate with or control an MFi Accessory (as defined above) through wireless transports or through Apple's lightning or 30-pin connectors only if (i) such MFi Accessory is licensed under the MFi Program at the time that You initially submit Your Application, (ii) the MFi Licensee has added Your Application to a list of those approved for interoperability with their MFi Accessory, and (iii) the MFi Licensee has received approval from the MFi Program for such addition.

Regulatory Compliance:

3.3.28 You will fulfill any applicable regulatory requirements, including full compliance with all applicable laws, regulations, and policies related to the manufacturing, marketing, sale and distribution of Your Application in the United States, and in particular the requirements of the U.S. Food and Drug Administration (FDA) as well as other U.S. regulatory bodies such as the FAA, HHS, FTC, and FCC, and the laws, regulations and policies of any other applicable regulatory bodies in any countries or territories where You use or make Your Application available, e.g., MHRA, CFDA. However, You agree that You will not seek any regulatory marketing permissions or make any determinations that may result in any Apple products being deemed regulated or that may impose any obligations or limitations on Apple. By submitting Your Application to Apple for selection for distribution, You represent and warrant that You are in full compliance with any applicable laws, regulations, and policies, including but not limited to all FDA laws, regulations and policies, related to the manufacturing, marketing, sale and distribution of Your Application in the United States, as well as in other countries or territories where You plan to make Your Application available. You also represent and warrant that You will market Your Application only for its cleared or approved intended use/indication for use, and only in strict compliance with applicable regulatory requirements. Upon Apple's request, You agree to promptly provide any such clearance documentation to support the marketing of Your Application. If requested by the FDA or by another government body that has a need to review or test Your Application as part of its regulatory review process, You may provide Your Application to such entity for review purposes. You agree to promptly notify Apple in accordance with the procedures set forth in **Section 14.5** of any complaints or threats of complaints regarding Your Application in relation to any such regulatory requirements, in which case Apple may remove Your Application from distribution.

Cellular Network:

3.3.29 If an Application requires or will have access to the cellular network, then additionally such Application:

- Must comply with Apple's best practices and other guidelines on how Applications should access and use the cellular network; and
- Must not in Apple's reasonable judgment excessively use or unduly burden network capacity or bandwidth.

3.3.30 Because some mobile network operators may prohibit or restrict the use of Voice over Internet Protocol (VoIP) functionality over their network, such as the use of VoIP telephony over a cellular network, and may also impose additional fees, or other charges in connection with VoIP. You agree to inform end-users, prior to purchase, to check the terms of agreement with their operator, for example, by

providing such notice in the marketing text that You provide accompanying Your Application on the App Store. In addition, if Your Application allows end-users to send SMS messages or make cellular voice calls, then You must inform the end-user, prior to use of such functionality, that standard text messaging rates or other carrier charges may apply to such use.

Apple Push Notification Service and Local Notifications:

3.3.31 All use of Push Notifications via the Apple Push Notification Service or Local Notifications must be in accordance with the terms of this Agreement (including the Program Requirements) and Attachment 1 (Additional Terms for Apple Push Notification Service and Local Notifications).

Game Center:

3.3.32 All use of the Game Center must be in accordance with the terms of this Agreement (including the Program Requirements) and Attachment 3 (Additional Terms for the Game Center).

iCloud:

3.3.33 All use of the iCloud Storage APIs and CloudKit APIs, as well as Your use of the iCloud service under this Agreement, must be in accordance with the terms of this Agreement (including the Program Requirements) and Attachment 4 (Additional Terms for the use of iCloud).

Wallet:

3.3.34 Your development of Passes, and use of the Pass Type ID and Wallet under this Agreement, must be in accordance with the terms of this Agreement (including the Program Requirements) and Attachment 5 (Additional Terms for Passes).

Additional Services or End-User Pre-Release Software:

3.3.35 From time to time, Apple may provide access to additional Services or pre-release Apple Software for You to use in connection with Your Applications, or as an end-user for evaluation purposes. Some of these may be subject to separate terms and conditions in addition to this Agreement, in which case Your usage will also be subject to those terms and conditions. Such services or software may not be available in all languages or in all countries, and Apple makes no representation that they will be appropriate or available for use in any particular location. To the extent You choose to access such services or software, You do so at Your own initiative and are responsible for compliance with any applicable laws, including but not limited to applicable local laws. To the extent any such software includes Apple's FaceTime or Messages feature, You acknowledge and agree that when You use such features, the telephone numbers and device identifiers associated with Your Authorized Test Units, as well as email addresses and/or Apple ID information You provide, may be used and maintained by Apple to provide and improve such software and features. Certain services made accessible to You through the Apple Software may be provided by third parties. You acknowledge that Apple will not have any liability or responsibility to You or any other person (including to any end-user) for any third-party services or for any Apple services. Apple and its licensors reserve the right to change, suspend, remove, or disable access to any services at any time. In no event will Apple be liable for the removal or disabling of access to any such services. Further, upon any commercial release of such software or services, or earlier if requested by Apple, You agree to cease all use of the pre-release Apple Software or Services provided to You as an end-user for evaluation purposes under this Agreement.

3.3.36 If Your Application accesses the Google Safe Browsing service through the Apple Software such access is subject to Google's terms of service set forth at: https://developers.google.com/safe-browsing/terms. If You do not accept such terms of service, then You may not use the Google Safe Browsing Service in Your Application, and You acknowledge and agree that such use will constitute Your acceptance of such terms of service.

3.3.37 If Your Application accesses data from an end-user's Address Book through the Address Book API, You must notify and obtain consent from the user before a user's Address Book data is accessed or used by Your Application. Further, Your Application may not provide an automated mechanism that transfers only the Facebook Data portions of the end-user's Address Book altogether to a location off of the end-user's device. For the sake of clarity, this does not prohibit an automated transfer of the user's entire Address Book as a whole, so long as user notification and consent requirements have been fulfilled; and does not prohibit enabling users to transfer any portion of their Address Book data manually (e.g., by cutting and pasting) or enabling them to individually select particular data items to be transferred.

Extensions:

3.3.38 Applications that include extensions in the Application bundle must provide some functionality beyond just the extensions (e.g., help screens, additional settings), unless an Application includes a WatchKit Extension. In addition:

- Extensions (excluding WatchKit Extensions) may not include advertising, product promotion, direct marketing, or In-App Purchase offers in their extension view;
- Extensions may not block the full screen of an iOS Product or Apple TV, or redirect, obstruct or interfere in an undisclosed or unexpected way with a user's use of another developer's application or any Apple-provided functionality or service;
- Extensions may operate only in Apple-designated areas of iOS, watchOS, iPadOS, or tvOS as set forth in the Documentation;
- Extensions that provide keyboard functionality must be capable of operating independent of any network access and must include Unicode characters (vs. pictorial images only);
- Any keystroke logging done by any such extension must be clearly disclosed to the end-user prior to any such data being sent from an iOS Product, and notwithstanding anything else in **Section 3.3.9**, such data may be used only for purposes of providing or improving the keyboard functionality of Your Application (e.g., not for serving advertising);
- Any message filtering done by an extension must be clearly disclosed to the end-user, and notwithstanding anything else in **Section 3.3.9**, any SMS or MMS data (whether accessed through a message filtering extension or sent by iOS to a messaging extension's corresponding server) may be used only for purposes of providing or improving the message experience of the user by reducing spam or messages from unknown sources, and must not be used for serving advertising or for any other purpose. Further, SMS or MMS data from a user that is accessed within the extension may not be exported from the extension's designated container area in any way; and

- Your Application must not automate installation of extensions or otherwise cause extensions to be installed without the user's knowledge, and You must accurately specify to the user the purpose and functionality of the extension.

HealthKit APIs and Motion & Fitness APIs:

3.3.39 Your Application must not access the HealthKit APIs or Motion & Fitness APIs unless the use of such APIs is for health, motion, and/or fitness purposes, and this usage is clearly evident in Your marketing text and user interface. In addition:

- Notwithstanding anything to the contrary in **Section 3.3.9**, You and Your Application may not use the HealthKit APIs or the Motion & Fitness APIs, or any information obtained through the HealthKit APIs or the Motion & Fitness APIs, for any purpose other than providing health, motion, and/or fitness services in connection with Your Application (e.g., not for serving advertising);
- You must not use the HealthKit APIs or the Motion & Fitness APIs, or any information obtained through the HealthKit APIs or the Motion & Fitness APIs, to disclose or provide an end-user's health, motion, and/or fitness information to a third party without prior express end-user consent, and then only for purposes of enabling the third party to provide health, motion, and/or fitness services as permitted herein. For example, You must not share or sell an end-user's health information collected through the HealthKit APIs or Motion & Fitness APIs to advertising platforms, data brokers, or information resellers. For clarity, You may allow end-users to consent to share their data with third parties for medical research purposes; and
- You agree to clearly disclose to end-users how You and Your Application will be using their health, motion, and/or fitness information and to use it only as expressly consented to by the end-user and as expressly permitted herein.

Configuration Profiles:

3.3.40 Configuration Profiles cannot be delivered to consumers other than for the purposes of configuration of WiFi, APN, or VPN settings, or as otherwise expressly permitted by Apple in the then-current Configuration Profile Reference Documentation. You must make a clear declaration of what user data will be collected and how it will be used on an app screen or other notification mechanism prior to any user action to use a Configuration Profile. You may not share or sell user data obtained through a Configuration Profile to advertising platforms, data brokers, or information resellers. In addition, You may not override the consent panel for a Configuration Profile or any other mechanisms of a Configuration Profile.

HomeKit APIs:

3.3.41 Your Application must not access the HomeKit APIs unless it is primarily designed to provide home configuration or home automation services (e.g., turning on a light, lifting a garage door) for Licensed HomeKit Accessories and this usage is clearly evident in Your marketing text and user interface. You agree not to use the HomeKit APIs for any purpose other than interfacing, communicating, interoperating with or otherwise controlling a Licensed HomeKit Accessory or for using the HomeKit Database, and then only for home configuration or home automation purposes in connection with Your Application. In addition:

- Your Application may use information obtained from the HomeKit APIs and/or the HomeKit Database only on a compatible Apple-branded product and may not export, remotely access or transfer such information off of the applicable product (e.g., a lock password cannot be sent off an end-user's device to be stored in an external non-Apple database), unless otherwise expressly permitted by Apple in the Documentation; and
- Notwithstanding anything to the contrary in **Section 3.3.9**, You and Your Application may not use the HomeKit APIs, or any information obtained through the HomeKit APIs or through the HomeKit Database, for any purpose other than providing or improving home configuration or home automation services in connection with Your Application (e.g., not for serving advertising).

Apple Pay APIs:

3.3.42 Your Application may use the Apple Pay APIs solely for the purpose of facilitating payment transactions that are made by or through Your Application, and only for the purchase of goods and services that are to be used outside of any iOS Product or Apple Watch, unless otherwise permitted by Apple in writing. For clarity, nothing in this **Section 3.3.42** supplants any of the rules or requirements for the use of the In-App Purchase API, including but not limited to **Section 3.3.3** and the guidelines. In addition:

- You acknowledge and agree that Apple is not a party to any payment transactions facilitated through the use of the Apple Pay APIs and is not responsible for any such transactions, including but not limited to the unavailability of any end-user payment cards or payment fraud. Such payment transactions are between You and Your bank, acquirer, card networks, or other parties You utilize for transaction processing, and You are responsible for complying with any agreements You have with such third parties. In some cases, such agreements may contain terms specifying specific rights, obligations or limitations that You accept and assume in connection with Your decision to utilize the functionality of the Apple Pay APIs;
- You agree to store any private keys provided to You as part of Your use of the Apple Pay APIs in a secure manner (e.g., encrypted on a server) and in accordance with the Documentation. You agree not to store any end-user payment information in an unencrypted manner on an iOS Product. For clarity, You may not decrypt any such end-user payment information on an iOS Product;
- You agree not to call the Apple Pay APIs or otherwise attempt to gain information through the Apple Pay APIs for purposes unrelated to facilitating end-user payment transactions; and

- If You use Apple Pay APIs in Your Application, then You agree to use commercially reasonable efforts to include Apple Pay Cash as a payment option with Your use of the Apple Pay APIs in accordance with the Documentation and provided that Apple Pay Cash is available in the jurisdiction in which the Application is distributed.

3.3.43 As part of facilitating an end-user payment transaction through the Apple Pay APIs, Apple may provide You (whether You are acting as the Merchant or as an Intermediary Party) with an Apple Pay Payload. If You receive an Apple Pay Payload, then You agree to the following:

- If You are acting as the Merchant, then You may use the Apple Pay Payload to process the end-user payment transaction and for other uses that You disclose to the end-user, and only in accordance with applicable law; and
- If You are acting as an Intermediary Party, then:

(a) You may use the Apple Pay Payload only for purposes of facilitating the payment transaction between the Merchant and the end-user and for Your own order management purposes (e.g., customer service) as part of such transaction;

(b) You agree that You will not hold the Apple Pay Payload data for any longer than necessary to fulfill the payment transaction and order management purposes for which it was collected;

(c) You agree not to combine data obtained through the Apple Pay APIs, including but not limited to, the Apple Pay Payload with any other data that You may have about such end-user (except to the limited extent necessary for order management purposes). For clarity, an Intermediary Party may not use data obtained through the Apple Pay APIs for advertising or marketing purposes, for developing or enhancing a user profile, or to otherwise target end-users;

(d) You agree to disclose to end-users that You are an Intermediary Party to the transaction and to provide the identity of the Merchant for a particular transaction on the Apple Pay Payment Sheet (in addition to including Your name as an Intermediary Party); and

(e) If You use a Merchant, then You will be responsible for ensuring that the Merchant You select uses the Apple Pay Payload provided by You only for purposes of processing the end-user payment transaction and for other uses they have disclosed to the end-user, and only in accordance with applicable law. You agree to have a binding written agreement with such Merchant with terms at least as restrictive and protective of Apple as those set forth herein. Any actions undertaken by any such Merchant in relation to such Apple Pay Payload or the payment transaction shall be deemed to have been taken by You, and You (in addition to such Merchant) shall be responsible to Apple for all such actions (or any inactions). In the event of any actions or inactions by such Merchant that would constitute a violation of this Agreement or otherwise cause any harm, Apple reserves the right to require You to cease using such Merchant.

SiriKit:

3.3.44 Your Application may register as a destination to use the Apple-defined SiriKit domains, but only if Your Application is designed to provide relevant responses to a user, or otherwise carry out the user's request or intent, in connection with the applicable SiriKit domain (e.g., ride sharing) that is supported by

Your Application and this usage is clearly evident in Your marketing text and user interface. In addition, Your Application may contribute actions to SiriKit, but only if such actions are tied to user behavior or activity within Your Application and for which You can provide a relevant response to the user. You agree not to submit false information through SiriKit about any such user activity or behavior or otherwise interfere with the predictions provided by SiriKit (e.g., SiriKit donations should be based on actual user behavior).

3.3.45 Your Application may use information obtained through SiriKit only on supported Apple products and may not export, remotely access or transfer such information off a device except to the extent necessary to provide or improve relevant responses to a user or carry out a user's request or in connection with Your Application. Notwithstanding anything to the contrary in **Section 3.3.9**, You and Your Application may not use SiriKit, or any information obtained through SiriKit, for any purpose other than providing relevant responses to a user or otherwise carrying out a user's request or intent in connection with an SiriKit domain, intent, or action supported by Your Application and/or for improving Your Application's responsiveness to user requests (e.g., not for serving advertising).

3.3.46 If Your Application uses SiriKit to enable audio data to be processed by Apple, You agree to clearly disclose to end-users that You and Your Application will be sending their recorded audio data to Apple for speech recognition, processing and/or transcription purposes, and that such audio data may be used to improve and provide Apple products and services. You further agree to use such audio data, and recognized text that may be returned from SiriKit, only as expressly consented to by the end-user and as expressly permitted herein.

Single Sign-On API:

3.3.47 You must not access or use the Single Sign-On API unless You are a Multi-channel Video Programming Distributor (MVPD) or unless Your Application is primarily designed to provide authenticated video programming via a subscription-based MVPD service, and You have received an entitlement from Apple to use the Single Sign-On API. If You have received such an entitlement, You are permitted to use the Single Sign-On API solely for the purpose of authenticating a user's entitlement to access Your MVPD content for viewing on an Apple Product, in accordance with the Single Sign-on Specification. Any such use must be in compliance with the Documentation for the Single Sign-On Specification. You acknowledge that Apple reserves the right to not provide You such an entitlement, and to revoke such entitlement, at any time, in its sole discretion.

If You use the Single Sign-On API, You will be responsible for providing the sign-in page accessed by users via the Single Sign-On API where users sign in to authenticate their right to access Your MVPD content. You agree that such sign-in page will not display advertising, and that the content and appearance of such page will be subject to Apple's prior review and approval. If You use the Single Sign-On API and Apple provides an updated version of such API and/or the Single Sign-on Specification, You agree to update Your implementation to conform with the newer version and specification within 3 months after receiving the update from Apple.

You authorize Apple to use, reproduce, and display the trademarks provided by You for use in connection with the Single-Sign-On feature, including use in the user interface screens in Apple products where the user selects the provider and authenticates through Single Sign-on, and/or to provide the user with a list of apps that are accessible to such user through Single Sign-On. You also grant Apple the right to use

screenshots and images of such user interface, including but not limited to use in instructional materials, training materials, marketing materials, and advertising in any medium. Data provided via the Single Sign-On API will be considered Licensed Application Information hereunder, but will be subject to the use limitations set forth in this Section.

You must not collect, store or use data provided via the Single Sign-On API for any purpose other than to authenticate a user's entitlement to access Your MVPD content on an Apple product, to provide the user access to Your MVPD content, and/or to address performance and technical problems with Your MVPD service. You will not provide or disclose data, content or information obtained from use of the Single Sign-On API to any other party except for authentication information provided to a video programming provider whose programming is offered as part of an MVPD subscription offered by You, and solely for the purpose of authenticating the user's entitlement to access such video programming on an Apple product under the user's MVPD subscription.

TV App API:

3.3.48 You may not use the TV App API unless (a) Your Application is primarily designed to provide video programming, (b) You have received an entitlement from Apple, and (c) Your use is in accordance with the TV App Specification. To the extent that You provide TV App Data to Apple, Apple may store, use, reproduce and display such data solely for the purposes of: (a) providing information and recommendations to users of TV App Features, (b) enabling users to link from such recommendations and/or information to content for viewing via Your Licensed Application, and/or (c) servicing, maintenance, and optimization of TV App Features. With respect to any TV App Data that has been submitted by You prior to termination of this Agreement, Apple may continue to use such data in accordance with this **Section 3.3.48** after termination of this Agreement. TV App Data will be considered Licensed Application Information under this Agreement, but will be subject to the use limitations set forth in this Section. You acknowledge that Apple reserves the right to not include Your Licensed Application in the TV App Features, in its sole discretion.

Apple will obtain user consent based on the user's Apple ID before including Your Licensed Application in the TV App Features displayed under that Apple ID. Apple will also provide users with the ability to withdraw such consent at any time thereafter and to delete their TV App Data from Apple's systems. In addition, You may solicit user consent based upon Your own subscriber ID system. You are responsible for Your compliance with all applicable laws, including any applicable local laws for obtaining user consent with respect to Your provision of TV App Data to Apple.

Spotlight-Image-Search Service:

3.3.49 To the extent that You provide Apple's spotlight-image-search service with access to any of Your domains that are associated with Your Licensed Applications (the "**Associated Domain(s)**"), You hereby grant Apple permission to crawl, scrape, copy, transmit and/or cache the content found in the Associated Domain(s) (the "**Licensed Content**") for the purposes set forth in this section. The Licensed Content shall be considered Licensed Application Information under this Agreement. You hereby further grant Apple a license to use, make, have made, reproduce, crop and/or modify the file format, resolution and appearance of the Licensed Content (for the purposes of reducing file size, converting to a supported file type and/or displaying thumbnails), and to publicly display, publicly perform, integrate, incorporate and distribute the Licensed Content to enhance search, discovery, and end-user distribution of the Licensed

Content in Apple's Messages feature. Upon the termination of this Agreement for any reason, end users of Apple-branded products will be permitted to continue using and distributing all Licensed Content that they obtained through the use of Apple-branded products prior to such termination.

MusicKit:

3.3.50 You agree not to call the MusicKit APIs or use MusicKit JS (or otherwise attempt to gain information through the MusicKit APIs or MusicKit JS) for purposes unrelated to facilitating access to Your end users' Apple Music subscriptions. If You access the MusicKit APIs or MusicKit JS, then You must follow the Apple Music Identity Guidelines. You agree not to require payment for or indirectly monetize access to the Apple Music service (e.g. in-app purchase, advertising, requesting user info) through Your use of the MusicKit APIs, MusicKit JS, or otherwise in any way. In addition:

- If You choose to offer music playback through the MusicKit APIs or MusicKit JS, full songs must be enabled for playback, and users must initiate playback and be able to navigate playback using standard media controls such as "play," "pause," and "skip", and You agree to not misrepresent the functionality of these controls;
- You may not, and You may not permit Your end users to, download, upload, or modify any MusicKit Content and MusicKit Content cannot be synchronized with any other content, unless otherwise permitted by Apple in the Documentation;
- You may play MusicKit Content only as rendered by the MusicKit APIs or MusicKit JS and only as permitted in the Documentation (e.g., album art and music-related text from the MusicKit API may not be used separately from music playback or managing playlists);
- Metadata from users (such as playlists and favorites) may be used only to provide a service or function that is clearly disclosed to end users and that is directly relevant to the use of Your Application, website, or web application, as determined in Apple's sole discretion; and
- You may use MusicKit JS only as a stand-alone library in Your Application, website, or web application and only as permitted in the Documentation (e.g., You agree not to recombine MusicKit JS with any other JavaScript code or separately download and re-host it).

DeviceCheck APIs:

3.3.51 If You use DeviceCheck APIs to store DeviceCheck Data, then You must provide a mechanism for customers to contact You to reset those values, if applicable (e.g. resetting a trial subscription or re-authorizing certain usage when a new user acquires the device). You may not rely on the DeviceCheck Data as a single identifier of fraudulent conduct and must use the DeviceCheck Data only in connection with other data or information, e.g., the DeviceCheck Data cannot be the sole data point since a device may have been transferred or resold. Apple reserves the right to delete any DeviceCheck Data at any time in its sole discretion, and You agree not to rely on any such Data. Further, You agree not to share the DeviceCheck tokens You receive from Apple with any third party, except a Service Provider acting on Your behalf.

Face Data:

3.3.52 If Your Application accesses Face Data, then You must do so only to provide a service or function that is directly relevant to the use of the Application, and You agree to inform users of Your intended uses and disclosures of Face Data by Your Application and to obtain clear and conspicuous consent from such users before any collection or use of Face Data. Notwithstanding anything to the contrary in **Section 3.3.9**, neither You nor Your Application (nor any third party with whom You have contracted to serve advertising) may use Face Data for serving advertising or for any other unrelated purposes. In addition:

- You may not use Face Data in a manner that will violate the legal rights of Your users (or any third parties) or to provide an unlawful, unfair, misleading, fraudulent, improper, exploitative, or objectionable user experience and then only in accordance with the Documentation;
- You may not use Face Data for authentication, advertising, or marketing purposes, or to otherwise target an end-user in a similar manner;
- You may not use Face Data to build a user profile, or otherwise attempt, facilitate, or encourage third parties to identify anonymous users or reconstruct user profiles based on Face Data;
- You agree not to transfer, share, sell, or otherwise provide Face Data to advertising platforms, analytics providers, data brokers, information resellers or other such parties; and
- Face Data may not be shared or transferred off the user's device unless You have obtained clear and conspicuous consent for the transfer and the Face Data is used only in fulfilling a specific service or function for Your Application (e.g., a face mesh is used to display an image of the user within the Application) and only in accordance with these terms and the Documentation. You agree to require that Your service providers use Face Data only to the limited extent consented to by the user and only in accordance with these terms.

ClassKit APIs:

3.3.53 Your Application must not include the ClassKit APIs unless it is primarily designed to provide educational services, and this usage is clearly evident in Your marketing text and user interface. You agree not to submit false or inaccurate data through the ClassKit APIs or to attempt to redefine the assigned data categories for data submitted through the ClassKit APIs (e.g., student location data is not a supported data type and should not be submitted).

Sign In with Apple:

3.3.54 You may use Sign In with Apple in Your Corresponding Products only so long as Your use is comparable to including Sign In with Apple in Your Application. You may not share or sell user data obtained through Sign In with Apple to advertising platforms, data brokers, or information resellers. If a user has chosen to anonymize their user data as part of Sign In with Apple, You agree not to attempt to link such anonymized data with information that directly identifies the individual and that is obtained outside of Sign In with Apple without first obtaining user consent.

ShazamKit:

3.3.55 All use of the ShazamKit APIs must be in accordance with the terms of this Agreement (including the Apple Music Identity Guidelines and Program Requirements) and the Documentation. If You choose to display ShazamKit Content corresponding to songs available on Apple Music, then You must provide a link to the respective content within Apple Music in accordance with the Apple Music Identity Guidelines. Except to the extent expressly permitted herein, You agree not to copy, modify, translate, create a derivative work of, publish or publicly display ShazamKit Content in any way. Further, You may not use or compare the data provided by the ShazamKit APIs for the purpose of improving or creating another audio recognition service. Applications that use the ShazamKit APIs may not be designed or marketed for compliance purposes (e.g., music licensing and royalty auditing).

Xcode Cloud:

3.3.56 To the extent that You use the Xcode Cloud Service to manage Your Xcode Cloud Content and build Your Applications, You hereby grant to Apple, its affiliates and agents, a non-exclusive, worldwide, fully paid-up, royalty-free license to reproduce, host, process, display, transmit, modify, create derivative works of, and otherwise use Your Xcode Cloud Content solely in order for Apple to provide the Xcode Cloud Service. You acknowledge and agree that: (a) You are solely responsible for such Xcode Cloud Content, in which Apple has no ownership rights, (b) if You choose to use a third party service (e.g., source code hosting, artifact storage, messaging, or testing services) with the Xcode Cloud Service, You are responsible for Your compliance with the terms and conditions governing such third party service, (c) the provision of user generated content (e.g., builds) by the Xcode Cloud Service shall not be considered a distribution for contractual or licensing obligations, (d) any execution of Your Xcode Cloud Content within Xcode Cloud shall be limited to testing of Your Xcode Cloud Content, (e) You shall not mine cryptocurrencies using Xcode Cloud, and (f) Your Xcode Cloud Content complies with the requirements set forth for Applications in **3.3.21** and **3.3.22**.

3.3.57 While in no way limiting Apple's other rights under this Agreement, Apple reserves the right to take action if in its sole discretion, Apple determines or has reason to believe You have violated a term of this Agreement. These actions may include limiting, suspending, or revoking your access to the Xcode Cloud Service, or terminating your build.

4. Changes to Program Requirements or Terms

Apple may change the Program Requirements or the terms of this Agreement at any time. New or modified Program Requirements will not retroactively apply to Applications already in distribution via the App Store or Custom App Distribution; provided however that You agree that Apple reserves the right to remove Applications from the App Store or Custom App Distribution that are not in compliance with the new or modified Program Requirements at any time. In order to continue using the Apple Software, Apple Certificates or any Services, You must accept and agree to the new Program Requirements and/or new terms of this Agreement. If You do not agree to new Program Requirements or new terms, Your use of the Apple Software, Apple Certificates and any Services will be suspended or terminated by Apple. You agree that Your acceptance of such new Agreement terms or Program Requirements may be signified electronically, including without limitation, by Your checking a box or clicking on an "agree" or similar button. Nothing in this Section shall affect Apple's rights under **Section 5 (Apple Certificates; Revocation)**.

5. Apple Certificates; Revocation

5.1 Certificate Requirements

All Applications must be signed with an Apple Certificate in order to be installed on Authorized Test Units, Registered Devices, or submitted to Apple for distribution via the App Store, Custom App Distribution, or TestFlight. Similarly, all Passes must be signed with an Apple Certificate to be recognized and accepted by Wallet. Safari Extensions must be signed with an Apple Certificate to run in Safari on macOS. You must use a Website ID to send Safari Push Notifications to the macOS desktop of users who have opted in to receive such Notifications for Your Site through Safari on macOS. You may also obtain other Apple Certificates and keys for other purposes as set forth herein and in the Documentation.

In relation to this, You represent and warrant to Apple that:

(a) You will not take any action to interfere with the normal operation of any Apple Certificates, keys, or Provisioning Profiles;

(b) You are solely responsible for preventing any unauthorized person or organization from having access to Your Apple Certificates and keys, and You will use Your best efforts to safeguard Your Apple Certificates and keys from compromise (e.g., You will not upload Your Apple Certificate for App Store distribution to a cloud repository for use by a third-party);

(c) You agree to immediately notify Apple in writing if You have any reason to believe there has been a compromise of any of Your Apple Certificates or keys;

(d) You will not provide or transfer Apple Certificates or keys provided under this Program to any third party (except for a Service Provider who is using them on Your behalf in compliance with this Agreement and only to the limited extent expressly permitted by Apple in the Documentation or this Agreement (e.g., You are prohibited from providing or transferring Your Apple Certificates that are used for distribution or submission to the App Store to a Service Provider), and You will not use Your Apple Certificates to sign any third party's application, pass, extension, notification, implementation, or site;

(e) You will use any Apple Certificates or keys provided under this Agreement solely as permitted by Apple and in accordance with the Documentation; and

(f) You will use Apple Certificates provided under this Program exclusively for the purpose of signing Your Passes, signing Your Safari Extensions, signing Your Site's registration bundle, accessing the APN service, and/or signing Your Applications for testing, submission to Apple and/or for limited distribution for use on Registered Devices or Authorized Test Units as contemplated under this Program, or as otherwise permitted by Apple, and only in accordance with this Agreement. As a limited exception to the foregoing, You may provide versions of Your Applications to Your Service Providers to sign with their Apple-issued development certificates, but solely for purposes of having them perform testing on Your behalf of Your Applications on Apple-branded products running iOS, watchOS, iPadOS, and/or tvOS and provided that all such testing is conducted internally by Your Service Providers (e.g., no outside distribution of Your Applications) and that Your Applications are deleted within a reasonable period of time after such testing is performed. Further, You agree that Your Service Provider may use the data obtained from performing such testing services only for purposes of providing You with information about the performance of Your Applications (e.g., Your Service Provider is prohibited from aggregating Your Applications' test results with other developers' test results).

You further represent and warrant to Apple that the licensing terms governing Your Application, Your Safari Extension, Your Site's registration bundle, and/or Your Pass, or governing any third party code or FOSS included in Your Covered Products, will be consistent with and not conflict with the digital signing or content protection aspects of the Program or any of the terms, conditions or requirements of the Program or this Agreement. In particular, such licensing terms will not purport to require Apple (or its agents) to disclose or make available any of the keys, authorization codes, methods, procedures, data or other information related to the Security Solution, digital signing or digital rights management mechanisms or security utilized as part of any Apple software, including the App Store. If You discover any such inconsistency or conflict, You agree to immediately notify Apple of it and will cooperate with Apple to resolve such matter. You acknowledge and agree that Apple may immediately cease distribution of any affected Licensed Applications or Passes, and may refuse to accept any subsequent Application or Pass submissions from You until such matter is resolved to Apple's reasonable satisfaction.

5.2 Relying Party Certificates

The Apple Software and Services may also contain functionality that permits digital certificates, either Apple Certificates or other third-party certificates, to be accepted by the Apple Software or Services (e.g., Apple Pay) and/or to be used to provide information to You (e.g., transaction receipts, App Attest receipts). It is Your responsibility to verify the validity of any certifications or receipts You may receive from Apple prior to relying on them (e.g., You should verify that the receipt came from Apple prior to any delivery of content to an end-user through the use of the In-App Purchase API). You are solely responsible for Your decision to rely on any such certificates and receipts, and Apple will not be liable for Your failure to verify that any such certificates or receipts came from Apple (or third parties) or for Your reliance on Apple Certificates or other digital certificates.

5.3 Notarized Applications for macOS

To have Your macOS Application notarized, You may request a digital file for authentication of Your Application from Apple's digital notary service (a "**Ticket**"). You can use this Ticket with Your Apple Certificate to receive an improved developer signing and user experience for Your Application on macOS. To request this Ticket from Apple's digital notary service, You must upload Your Application to Apple through Apple's developer tools (or other requested mechanisms) for purposes of continuous security checking. This continuous security checking will involve automated scanning, testing, and analysis of Your Application by Apple for malware or other harmful or suspicious code or components or security flaws, and, in limited cases, a manual, technical investigation of Your Application by Apple for such purposes. By uploading Your Application to Apple for this digital notary service, You agree that Apple may perform such security checks on Your Application for purposes of detecting malware or other harmful or suspicious code or components, and You agree that Apple may retain and use Your Application for subsequent security checks for the same purposes.

If Apple authenticates Your developer signature and Your Application passes the initial security checks, Apple may provide You with a Ticket to use with Your Apple Certificate. Apple reserves the right to issue Tickets in its sole discretion, and Apple may revoke Tickets at any time in its sole discretion in the event

that Apple has reason to believe, or has reasonable suspicions, that Your Application contains malware or malicious, suspicious or harmful code or components or that Your developer identity signature has been compromised. You may request that Apple revoke Your Ticket at any time by emailing: product-security@apple.com. If Apple revokes Your Ticket or Your Apple Certificate, then Your Application may no longer run on macOS.

You agree to cooperate with Apple regarding Your Ticket requests and to not hide, attempt to bypass, or misrepresent any part of Your Application from Apple's security checks or otherwise hinder Apple from being able to perform such security checks. You agree not to represent that Apple has performed a security check or malware detection for Your Application or that Apple has reviewed or approved Your Application for purposes of issuing a Ticket to You from Apple's digital notary service. You acknowledge and agree that Apple is performing security checks solely in connection with Apple's digital notary service and that such security checks should not be relied upon for malware detection or security verification of any kind. You are fully responsible for Your own Application and for ensuring that Your Application is safe, secure, and operational for Your end-users (e.g., informing Your end-users that Your Application may cease to run if there is an issue with malware). You agree to comply with export requirements in Your jurisdiction when uploading Your Application to Apple, and You agree not to upload any Application that is: (a) subject to the United States Export Administration Regulations, 15 C.F.R. Parts 730-774 or to the International Traffic in Arms Regulations, 22 C.F.R. Parts 120-130; or (b) that cannot be exported without prior written government authorization, including, but not limited to, certain types of encryption software and source code, without first obtaining that authorization. Apple will not be liable to You or any third-party for any inability or failure to detect any malware or other suspicious, harmful code or components in Your Application or other security issues, or for any ticket issuance or revocation. Apple shall not be responsible for any costs, expenses, damages, losses or other liabilities You may incur as a result of Your Application development, use of the Apple Software, Apple Services (including this digital notary service), or Apple Certificates, tickets, or participation in the Program, including without limitation the fact that Apple performs security checks on Your Application.

5.4 Certificate Revocation

Except as otherwise set forth herein, You may revoke Apple Certificates issued to You at any time. If You want to revoke the Apple Certificates used to sign Your Passes and/or issued to You for use with Your macOS Applications distributed outside of the App Store, You may request that Apple revoke these Apple Certificates at any time by emailing: product-security@apple.com.

Apple also reserves the right to revoke any Apple Certificates at any time, in its sole discretion. By way of example only, Apple may choose to do this if: (a) any of Your Apple Certificates or corresponding private keys have been compromised or Apple has reason to believe that either have been compromised; (b) Apple has reason to believe or has reasonable suspicions that Your Covered Products contain malware or malicious, suspicious or harmful code or components (e.g., a software virus); (c) Apple has reason to believe that Your Covered Products adversely affect the security of Apple-branded products, or any other software, firmware, hardware, data, systems, or networks accessed or used by such products; (d) Apple's certificate issuance process is compromised or Apple has reason to believe that such process has been compromised; (e) You breach any term or condition of this Agreement; (f) Apple ceases to issue the Apple Certificates for the Covered Product under the Program; (g) Your Covered Product misuses or overburdens any Services provided hereunder; or (h) Apple has reason to believe that such action is prudent or necessary. Further, You understand and agree that Apple may notify end-users of

Covered Products that are signed with Apple Certificates when Apple believes such action is necessary to protect the privacy, safety or security of end-users, or is otherwise prudent or necessary as determined in Apple's reasonable judgment. Apple's Certificate Policy and Certificate Practice Statements may be found at: http://www.apple.com/certificateauthority.

6. Application Submission and Selection

6.1 Submission to Apple for App Store or Custom App Distribution

You may submit Your Application for consideration by Apple for distribution via the App Store or Custom App Distribution once You decide that Your Application has been adequately tested and is complete. By submitting Your Application, You represent and warrant that Your Application complies with the Documentation and Program Requirements then in effect as well as with any additional guidelines that Apple may post on the Program web portal or in App Store Connect. You further agree that You will not attempt to hide, misrepresent or obscure any features, content, services or functionality in Your submitted Applications from Apple's review or otherwise hinder Apple from being able to fully review such Applications. In addition, You agree to inform Apple in writing through App Store Connect if Your Application connects to a physical device, including but not limited to an MFi Accessory, and, if so, to disclose the means of such connection (whether iAP, Bluetooth Low Energy (BLE), the headphone jack, or any other communication protocol or standard) and identify at least one physical device with which Your Application is designed to communicate. If requested by Apple, You agree to provide access to or samples of any such devices at Your expense (samples will not be returned). You agree to cooperate with Apple in this submission process and to answer questions and provide information and materials reasonably requested by Apple regarding Your submitted Application, including insurance information You may have relating to Your Application, the operation of Your business, or Your obligations under this Agreement. Apple may require You to carry certain levels of insurance for certain types of Applications and name Apple as an additional insured. If You make any changes to an Application (including to any functionality made available through use of the In-App Purchase API) after submission to Apple, You must resubmit the Application to Apple. Similarly all bug fixes, updates, upgrades, modifications, enhancements, supplements to, revisions, new releases and new versions of Your Application must be submitted to Apple for review in order for them to be considered for distribution via the App Store or Custom App Distribution, except as otherwise permitted by Apple.

6.2 App Thinning and Bundled Resources

As part of Your Application submission to the App Store or Custom App Distribution, Apple may optimize Your Application to target specific devices by repackaging certain functionality and delivered resources (as described in the Documentation) in Your Application so that it will run more efficiently and use less space on target devices ("**App Thinning**"). For example, Apple may deliver only the 32-bit or 64-bit version of Your Application to a target device, and Apple may not deliver icons or launch screens that would not render on the display of a target device. You agree that Apple may use App Thinning to repackage Your Application in order to deliver a more optimized version of Your Application to target devices.

As part of App Thinning, You can also request that Apple deliver specific resources for Your Application (e.g., GPU resources) to target devices by identifying such bundled resources as part of Your code submission ("**Bundled Resources**"). You can define such Bundled Resources to vary the timing or

delivery of assets to a target device (e.g., when a user reaches a certain level of a game, then the content is delivered on-demand to the target device). App Thinning and Bundled Resources are not available for all Apple operating systems, and Apple may continue to deliver full Application binaries to some target devices.

6.3 iOS and iPadOS apps on Mac

If You compile Your Application for iOS or iPadOS (collectively "iOS" for purposes of this **Section 6.3**) and submit such Application for distribution on the App Store, You agree that Apple will make Your Application available on both iOS and macOS via the App Store, unless You choose to opt out of making Your Application available on macOS by following the opt out process in App Store Connect. You agree that the foregoing applies to an Application for iOS submitted by You and currently available on the App Store and to any future Application compiled for iOS and submitted by You to the App Store. Notwithstanding the foregoing, such availability on the App Store will apply only if such Application has been selected by Apple for distribution on the App Store pursuant to **Section 7** and only if such Application can function appropriately on, and be compatible with, macOS, as determined in Apple's sole discretion. You are responsible for obtaining and determining if You have appropriate rights for Your Application to operate on macOS. If You do not have such rights, You agree to opt out of making such Application available on macOS. You are responsible for testing such Application on macOS.

6.4 Bitcode Submissions

For Application submissions to the App Store or Custom App Distribution for some Apple operating systems (e.g., for watchOS), Apple may require You to submit an intermediate representation of Your Application in binary file format for the LLVM compiler ("**Bitcode**"). You may also submit Bitcode for other supported Apple operating systems. Such Bitcode submission will allow Apple to compile Your Bitcode to target specific Apple-branded devices and to recompile Your Bitcode for subsequent releases of Your Application for new Apple hardware, software, and/or compiler changes. When submitting Bitcode, You may choose whether or not to include symbols for Your Application in the Bitcode; however, if You do not include symbols, then Apple will not be able to provide You with symbolicated crash logs or other diagnostic information as set forth in **Section 6.6 (Improving Your Application)** below. Further, You may be required to submit a compiled binary of Your Application with Your Bitcode.

By submitting Bitcode to Apple, You authorize Apple to compile Your Bitcode into a resulting binary that will be targeted for specific Apple-branded devices and to recompile Your Bitcode for subsequent rebuilding and recompiling of Your Application for updated hardware, software, and/or compiler changes (e.g., if Apple releases a new device, then Apple may use Your Bitcode to update Your Application without requiring resubmission). You agree that Apple may compile such Bitcode for its own internal use in testing and improving Apple's developer tools, and for purposes of analyzing and improving how applications can be optimized to run on Apple's operating systems (e.g., which frameworks are used most frequently, how a certain framework consumes memory, etc.). You may use Apple's developer tools to view and test how Apple may process Your Bitcode into machine code binary form. Bitcode is not available for all Apple operating systems.

6.5 TestFlight Submission

If You would like to distribute Your Application to Beta Testers outside of Your company or organization through TestFlight, You must first submit Your Application to Apple for review. By submitting such

Application, You represent and warrant that Your Application complies with the Documentation and Program Requirements then in effect as well as with any additional guidelines that Apple may post on the Program web portal or in App Store Connect. Thereafter, Apple may permit You to distribute updates to such Application directly to Your Beta Testers without Apple's review, unless such an update includes significant changes, in which case You agree to inform Apple in App Store Connect and have such Application re-reviewed. Apple reserves the right to require You to cease distribution of Your Application through TestFlight, and/or to any particular Beta Tester, at any time in its sole discretion.

6.6 Improving Your Application

Further, if Your Application is submitted for distribution via the App Store, Custom App Distribution or TestFlight, You agree that Apple may use Your Application for the limited purpose of compatibility testing of Your Application with Apple products and services, for finding and fixing bugs and issues in Apple products and services and/or Your Applications, for internal use in evaluating iOS, watchOS, tvOS, iPadOS, and/or macOS performance issues in or with Your Application, for security testing, and for purposes of providing other information to You (e.g., crash logs). Except as otherwise set forth herein, You may opt in to send app symbol information for Your Application to Apple, and if You do so, then You agree that Apple may use such symbols to symbolicate Your Application for purposes of providing You with symbolicated crash logs and other diagnostic information, compatibility testing of Your Application with Apple products and services, and for finding and fixing bugs and issues in Apple products and services and/or Your Application. In the event that Apple provides You with crash logs or other diagnostic information for Your Application, You agree to use such crash logs and information only for purposes of fixing bugs and improving the performance of Your Application and related products. You may also collect numeric strings and variables from Your Application when it crashes, so long as You collect such information only in an anonymous, non-personal manner and do not recombine, correlate, or use such information to attempt to identify or derive information about any particular end-user or device.

6.7 App Analytics

To the extent that Apple provides an Analytics service through App Store Connect for Applications distributed through the App Store, You agree to use any data provided through such App Analytics service solely for purposes of improving Your Applications and related products. Further, You agree not to provide such information to any third parties, except for a Service Provider who is assisting You in processing and analyzing such data on Your behalf and who is not permitted to use it for any other purpose or disclose it to any other party. For clarity, You must not aggregate (or permit any third-party to aggregate) analytics information provided to You by Apple for Your Applications as part of this App Analytics service with other developers' analytics information, or contribute such information to a repository for cross-developer analytics. You must not use the App Analytics service or any analytics data to attempt to identify or derive information about any particular end-user or device.

6.8 Compatibility Requirement with Current Shipping OS Version

Applications that are selected for distribution via the App Store must be compatible with the currently shipping version of Apple's applicable operating system (OS) software at the time of submission to Apple, and such Applications must stay current and maintain compatibility with each new release of the applicable OS version so long as such Applications are distributed through the App Store. You understand and agree that Apple may remove Applications from the App Store when they are not compatible with the then-current shipping release of the OS at any time in its sole discretion.

6.9 Selection by Apple for Distribution

You understand and agree that if You submit Your Application to Apple for distribution via the App Store, Custom App Distribution, or TestFlight, Apple may, in its sole discretion:

(a) determine that Your Application does not meet all or any part of the Documentation or Program Requirements then in effect;

(b) reject Your Application for distribution for any reason, even if Your Application meets the Documentation and Program Requirements; or

(c) select and digitally sign Your Application for distribution via the App Store, Custom App Distribution, or TestFlight.

Apple shall not be responsible for any costs, expenses, damages, losses (including without limitation lost business opportunities or lost profits) or other liabilities You may incur as a result of Your Application development, use of the Apple Software, Apple Services, or Apple Certificates or participation in the Program, including without limitation the fact that Your Application may not be selected for distribution via the App Store or Custom App Distribution. You will be solely responsible for developing Applications that are safe, free of defects in design and operation, and comply with applicable laws and regulations. You will also be solely responsible for any documentation and end-user customer support and warranty for such Applications. The fact that Apple may have reviewed, tested, approved or selected an Application will not relieve You of any of these responsibilities.

7. Distribution of Applications and Libraries

Applications:

Applications developed under this Agreement for iOS, watchOS, iPadOS, or tvOS may be distributed in four ways: (1) through the App Store, if selected by Apple, (2) through the Custom App Distribution, if selected by Apple, (3) through Ad Hoc distribution in accordance with **Section 7.3**, and (4) for beta testing through TestFlight in accordance with **Section 7.4**. Applications for macOS may be distributed: (a) through the App Store, if selected by Apple, (b) separately distributed under this Agreement, and (c) for beta testing through TestFlight in accordance with **Section 7.4**.

7.1 Delivery of Free Licensed Applications via the App Store or Custom App Distribution

If Your Application qualifies as a Licensed Application, it is eligible for delivery to end-users via the App Store or Custom App Distribution by Apple and/or an Apple Subsidiary. If You would like Apple and/or an Apple Subsidiary to deliver Your Licensed Application or authorize additional content, functionality or services You make available in Your Licensed Application through the use of the In-App Purchase API to end-users for free (no charge) via the App Store or Custom App Distribution, then You appoint Apple and Apple Subsidiaries as Your legal agent and/or commissionaire pursuant to the terms of Schedule 1 for Licensed Applications designated by You as free-of-charge applications.

7.2 Schedule 2 and Schedule 3 for Fee-Based Licensed Applications; Receipts

If Your Application qualifies as a Licensed Application and You intend to charge end-users a fee of any kind for Your Licensed Application or within Your Licensed Application through the use of the In-App Purchase API, You must enter into a separate agreement (Schedule 2) with Apple and/or an Apple Subsidiary before any such commercial distribution of Your Licensed Application may take place via the App Store or before any such commercial delivery of additional content, functionality or services for which You charge end-users a fee may be authorized through the use of the In-App Purchase API in Your Licensed Application. If You would like Apple to sign and distribute Your Application for a fee through Custom App Distribution, then You must enter into a separate agreement (Schedule 3) with Apple and/or an Apple Subsidiary before any such distribution may take place. To the extent that You enter (or have previously entered) into Schedule 2 or Schedule 3 with Apple and/or an Apple Subsidiary, the terms of Schedule 2 or 3 will be deemed incorporated into this Agreement by this reference.

When an end-user installs Your Licensed Application, Apple will provide You with a transaction receipt signed with an Apple Certificate. It is Your responsibility to verify that such certificate and receipt were issued by Apple, as set forth in the Documentation. You are solely responsible for Your decision to rely on any such certificates and receipts. YOUR USE OF OR RELIANCE ON SUCH CERTIFICATES AND RECEIPTS IN CONNECTION WITH A PURCHASE OF A LICENSED APPLICATION IS AT YOUR SOLE RISK. APPLE MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AS TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, ACCURACY, RELIABILITY, SECURITY, OR NON-INFRINGEMENT OF THIRD PARTY RIGHTS WITH RESPECT TO SUCH APPLE CERTIFICATES AND RECEIPTS. You agree that You will only use such receipts and certificates in accordance with the Documentation, and that You will not interfere or tamper with the normal operation of such digital certificates or receipts, including but not limited to any falsification or other misuse.

7.3 Distribution on Registered Devices (Ad Hoc Distribution)

Subject to the terms and conditions of this Agreement, You may also distribute Your Applications for iOS, watchOS, iPadOS, and tvOS to individuals within Your company, organization, educational institution, group, or who are otherwise affiliated with You for use on a limited number of Registered Devices (as specified in the Program web portal), if Your Application has been digitally signed using Your Apple Certificate as described in this Agreement. By distributing Your Application in this manner on Registered Devices, You represent and warrant to Apple that Your Application complies with the Documentation and Program Requirements then in effect and You agree to cooperate with Apple and to answer questions and provide information about Your Application, as reasonably requested by Apple. You also agree to be solely responsible for determining which individuals within Your company, organization, educational institution or affiliated group should have access to and use of Your Applications and Registered Devices, and for managing such Registered Devices. Apple shall not be responsible for any costs, expenses, damages, losses (including without limitation lost business opportunities or lost profits) or other liabilities You may incur as a result of distributing Your Applications in this manner, or for Your failure to adequately manage, limit or otherwise control the access to and use of Your Applications and Registered Devices. You will be responsible for attaching or otherwise including, at Your discretion, any relevant usage terms with Your Applications. Apple will not be responsible for any violations of Your usage terms. You will be solely responsible for all user assistance, warranty and support of Your Applications.

7.4 TestFlight Distribution

A. Internal Distribution to Authorized Developers and App Store Connect users

You may use TestFlight for internal distribution of pre-release versions of Your Applications to a limited number (as specified on the TestFlight developer website) of Your Authorized Developers or Your App Store Connect users who are members of Your company or organization, but solely for their internal use in testing, evaluating and/or developing Your Applications. Apple reserves the right to require You to cease distribution of such Applications to Your Authorized Developers or Your App Store Connect users through TestFlight, or to any particular Authorized Developer or App Store Connect user, at any time in its sole discretion.

B. External Distribution to Beta Testers

You may also use TestFlight for external distribution of pre-release versions of Your Applications to a limited number of Beta Testers (as specified on the TestFlight developer website), but solely for their testing and evaluation of such pre-release versions of Your Applications and only if Your Application has been approved for such distribution by Apple as set forth in **Section 6.5 (TestFlight Submission)**. You may not charge Your Beta Testers fees of any kind to participate in Apple's TestFlight or for the use of any such pre-release versions. You may not use TestFlight for purposes that are not related to improving the quality, performance, or usability of pre-release versions of Your Application (e.g., continuous distribution of demo versions of Your Application in an attempt to circumvent the App Store or providing trial versions of Your Applications for purposes of soliciting favorable App Store ratings are prohibited uses). Further, if Your Application is primarily intended for children, You must verify that Your Beta Testers are of the age of majority in their jurisdiction. If You choose to add Beta Testers to TestFlight, then You are assuming responsibility for any invitations sent to such end-users and for obtaining their consent to contact them. Apple will use the email addresses that You provide through TestFlight only for purposes of sending invitations to such end-users via TestFlight. By uploading email addresses for the purposes of sending invites to Beta Testers, You warrant that You have an appropriate legal basis for using such emails addresses for the purposes of sending invites. If a Beta Tester requests that You stop contacting them (either through TestFlight or otherwise), then You agree to promptly do so.

C. Use of TestFlight Information

To the extent that TestFlight provides You with beta analytics information about Your end-user's use of pre-release versions of Your Application (e.g., installation time, frequency of an individual's use of an App, etc.) and/or other related information (e.g. tester suggestions, feedback, screenshots), You agree to use such data solely for purposes of improving Your Applications and related products. You agree not to provide such information to any third parties, except for a Service Provider who is assisting You in processing and analyzing such data on Your behalf and who is not permitted to use it for any other purpose or disclose it to any other party (and then only to the limited extent not prohibited by Apple). For clarity, You must not aggregate (or permit any third-party to aggregate) beta analytics information provided to You by Apple for Your Applications as part of TestFlight with other developers' beta analytics information, or contribute such information to a repository for cross-developer beta analytics information. Further, You must not use any beta analytics information provided through TestFlight for purposes of de-anonymizing information obtained from or regarding a particular device or end-user outside of TestFlight (e.g., You may not attempt to connect data gathered through TestFlight for a particular end-user with information that is provided in an anonymized form through Apple's analytics service).

Libraries:

7.5 Distribution of Libraries

You can develop Libraries using the Apple Software. Notwithstanding anything to the contrary in the Xcode and Apple SDKs Agreement or the Swift Playgrounds Agreement, under this Agreement You may develop Libraries for iOS, watchOS, iPadOS, and tvOS using the applicable Apple SDKs that are provided as part of the Xcode and Apple SDKs license or Swift Playgrounds license, provided that any such Libraries are developed and distributed solely for use with an iOS Product, Apple Watch, or Apple TV and that You limit use of such Libraries only to use with such products. If Apple determines that Your Library is not designed for use with an iOS Product, Apple Watch, or Apple TV, then Apple may require You to cease distribution of Your Library at any time, and You agree to promptly cease all distribution of such Library upon notice from Apple and cooperate with Apple to remove any remaining copies of such Library. For clarity, the foregoing limitation is not intended to prohibit the development of libraries for macOS.

7.6 No Other Distribution Authorized Under this Agreement

Except for the distribution of freely available Licensed Applications through the App Store or Custom App Distribution in accordance with **Sections 7.1** and **7.2**, the distribution of Applications for use on Registered Devices as set forth in **Section 7.2** (Ad Hoc Distribution), the distribution of Applications for beta testing through TestFlight as set forth in **Section 7.4**, the distribution of Libraries in accordance with **Section 7.5**, the distribution of Passes in accordance with Attachment 5, the delivery of Safari Push Notifications on macOS, the distribution of Safari Extensions on macOS, the distribution of Applications and libraries developed for macOS, and/or as otherwise permitted herein, no other distribution of programs or applications developed using the Apple Software is authorized or permitted hereunder. In the absence of a separate agreement with Apple, You agree not to distribute Your Application for iOS Products, Apple Watch, or Apple TV to third parties via other distribution methods or to enable or permit others to do so. You agree to distribute Your Covered Products only in accordance with the terms of this Agreement.

8. Program Fees

As consideration for the rights and licenses granted to You under this Agreement and Your participation in the Program, You agree to pay Apple the annual Program fee set forth on the Program website, unless You have received a valid fee waiver from Apple. Such fee is non-refundable, and any taxes that may be levied on the Apple Software, Apple Services or Your use of the Program shall be Your responsibility. Your Program fees must be paid up and not in arrears at the time You submit (or resubmit) Applications to Apple under this Agreement, and Your continued use of the Program web portal and Services is subject to Your payment of such fees, where applicable. If You opt-in to have Your annual Program fees paid on an auto-renewing basis, then You agree that Apple may charge the credit card that You have on file with Apple for such fees, subject to the terms You agree to on the Program web portal when You choose to enroll in an auto-renewing membership.

9. Confidentiality

9.1 Information Deemed Apple Confidential

You agree that all pre-release versions of the Apple Software and Apple Services (including pre-release Documentation), pre-release versions of Apple hardware, the FPS Deployment Package, and any terms and conditions contained herein that disclose pre-release features will be deemed "Apple Confidential Information"; provided however that upon the commercial release of the Apple Software the terms and conditions that disclose pre-release features of the Apple Software or services will no longer be confidential. Notwithstanding the foregoing, Apple Confidential Information will not include: (i) information that is generally and legitimately available to the public through no fault or breach of Yours, (ii) information that is generally made available to the public by Apple, (iii) information that is independently developed by You without the use of any Apple Confidential Information, (iv) information that was rightfully obtained from a third party who had the right to transfer or disclose it to You without limitation, or (v) any FOSS included in the Apple Software and accompanied by licensing terms that do not impose confidentiality obligations on the use or disclosure of such FOSS. Further, Apple agrees that You will not be bound by the foregoing confidentiality terms with regard to technical information about pre-release Apple Software and services disclosed by Apple at WWDC (Apple's Worldwide Developers Conference), except that You may not post screenshots of, write public reviews of, or redistribute any pre-release Apple Software, Apple Services or hardware.

9.2 Obligations Regarding Apple Confidential Information

You agree to protect Apple Confidential Information using at least the same degree of care that You use to protect Your own confidential information of similar importance, but no less than a reasonable degree of care. You agree to use Apple Confidential Information solely for the purpose of exercising Your rights and performing Your obligations under this Agreement and agree not to use Apple Confidential Information for any other purpose, for Your own or any third party's benefit, without Apple's prior written consent. You further agree not to disclose or disseminate Apple Confidential Information to anyone other than: (i) those of Your employees and contractors, or those of Your faculty and staff if You are an educational institution, who have a need to know and who are bound by a written agreement that prohibits unauthorized use or disclosure of the Apple Confidential Information; or (ii) except as otherwise agreed or permitted in writing by Apple. You may disclose Apple Confidential Information to the extent required by law, provided that You take reasonable steps to notify Apple of such requirement before disclosing the Apple Confidential Information and to obtain protective treatment of the Apple Confidential Information. You acknowledge that damages for improper disclosure of Apple Confidential Information may be irreparable; therefore, Apple is entitled to seek equitable relief, including injunction and preliminary injunction, in addition to all other remedies.

9.3 Information Submitted to Apple Not Deemed Confidential

Apple works with many application and software developers and some of their products may be similar to or compete with Your Applications. Apple may also be developing its own similar or competing applications and products or may decide to do so in the future. To avoid potential misunderstandings and except as otherwise expressly set forth herein, Apple cannot agree, and expressly disclaims, any confidentiality obligations or use restrictions, express or implied, with respect to any information that You may provide in connection with this Agreement or the Program, including but not limited to information

about Your Application, Licensed Application Information, and metadata (such disclosures will be referred to as "**Licensee Disclosures**"). You agree that any such Licensee Disclosures will be **non-confidential**. Except as otherwise expressly set forth herein, Apple will be free to use and disclose any Licensee Disclosures on an unrestricted basis without notifying or compensating You. You release Apple from all liability and obligations that may arise from the receipt, review, use, or disclosure of any portion of any Licensee Disclosures. Any physical materials You submit to Apple will become Apple property and Apple will have no obligation to return those materials to You or to certify their destruction.

9.4 Press Releases and Other Publicity

You may not issue any press releases or make any other public statements regarding this Agreement, its terms and conditions, or the relationship of the parties without Apple's express prior written approval, which may be withheld at Apple's discretion.

10. Indemnification

To the extent permitted by applicable law, You agree to indemnify and hold harmless, and upon Apple's request, defend, Apple, its directors, officers, employees, independent contractors and agents (each an "**Apple Indemnified Party**") from any and all claims, losses, liabilities, damages, taxes, expenses and costs, including without limitation, attorneys' fees and court costs (collectively, "**Losses**"), incurred by an Apple Indemnified Party and arising from or related to any of the following (but excluding for purposes of this Section, any Application for macOS that is distributed outside of the App Store and does not use any Apple Services or Certificates): (i) Your breach of any certification, covenant, obligation, representation or warranty in this Agreement, including Schedule 2 and Schedule 3 (if applicable); (ii) any claims that Your Covered Product or the distribution, sale, offer for sale, use or importation of Your Covered Product (whether alone or as an essential part of a combination), Licensed Application Information, metadata, or Pass Information violate or infringe any third party intellectual property or proprietary rights; (iii) Your breach of any of Your obligations under the EULA (as defined in Schedule 1 or Schedule 2 or Schedule 3 (if applicable)) for Your Licensed Application; (iv) Apple's permitted use, promotion or delivery of Your Licensed Application, Licensed Application Information, Safari Push Notification, Safari Extension (if applicable), Pass, Pass Information, metadata, related trademarks and logos, or images and other materials that You provide to Apple under this Agreement, including Schedule 2 or Schedule 3 (if applicable); (v) any claims, including but not limited to any end-user claims, regarding Your Covered Products, Licensed Application Information, Pass Information, or related logos, trademarks, content or images; or (vi) Your use (including Your Authorized Developers' use) of the Apple Software or services, Your Licensed Application Information, Pass Information, metadata, Your Authorized Test Units, Your Registered Devices, Your Covered Products, or Your development and distribution of any of the foregoing.

You acknowledge that neither the Apple Software nor any Services are intended for use in the development of Covered Products in which errors or inaccuracies in the content, functionality, services, data or information provided by any of the foregoing or the failure of any of the foregoing, could lead to death, personal injury, or severe physical or environmental damage, and, to the extent permitted by law, You hereby agree to indemnify, defend and hold harmless each Apple Indemnified Party from any Losses incurred by such Apple Indemnified Party by reason of any such use.

In no event may You enter into any settlement or like agreement with a third party that affects Apple's rights or binds Apple in any way, without the prior written consent of Apple.

11. Term and Termination

11.1 Term

The Term of this Agreement shall extend until the one (1) year anniversary of the original activation date of Your Program account. Thereafter, subject to Your payment of annual renewal fees and compliance with the terms of this Agreement, the Term will automatically renew for successive one (1) year terms, unless sooner terminated in accordance with this Agreement.

11.2 Termination

This Agreement and all rights and licenses granted by Apple hereunder and any services provided hereunder will terminate, effective immediately upon notice from Apple:

(a) if You or any of Your Authorized Developers fail to comply with any term of this Agreement other than those set forth below in this **Section 11.2** and fail to cure such breach within 30 days after becoming aware of or receiving notice of such breach;

(b) if You or any of Your Authorized Developers fail to comply with the terms of **Section 9 (Confidentiality)**;

(c) in the event of the circumstances described in the subsection entitled "Severability" below;

(d) if You, at any time during the Term, commence an action for patent infringement against Apple;

(e) if You become insolvent, fail to pay Your debts when due, dissolve or cease to do business, file for bankruptcy, or have filed against You a petition in bankruptcy;

(f) if You or any entity or person that directly or indirectly controls You, or is under common control with You (where "control" has the meaning defined in **Section 14.8**), are or become subject to sanctions or other restrictions in the countries available in App Store Connect; or

(g) if You engage, or encourage others to engage, in any misleading, fraudulent, improper, unlawful or dishonest act relating to this Agreement, including, but not limited to, misrepresenting the nature of Your Application (e.g., hiding or trying to hide functionality from Apple's review, falsifying consumer reviews for Your Application, engaging in payment fraud, etc.).

Apple may also terminate this Agreement, or suspend Your rights to use the Apple Software or services, if You fail to accept any new Program Requirements or Agreement terms as described in **Section 4**. Either party may terminate this Agreement for its convenience, for any reason or no reason, effective 30 days after providing the other party with written notice of its intent to terminate.

11.3 Effect of Termination

Upon the termination of this Agreement for any reason, You agree to immediately cease all use of the Apple Software and services and erase and destroy all copies, full or partial, of the Apple Software and

any information pertaining to the services (including Your Push Application ID) and all copies of Apple Confidential Information in Your and Your Authorized Developers' possession or control. At Apple's request, You agree to provide written certification of such destruction to Apple. Upon the expiration of the Delivery Period defined and set forth in Schedule 1, all Licensed Applications and Licensed Application Information in Apple's possession or control shall be deleted or destroyed within a reasonable time thereafter, excluding any archival copies maintained in accordance with Apple's standard business practices or required to be maintained by applicable law, rule or regulation. The following provisions shall survive any termination of this Agreement: Sections 1, 2.3, 2.5, 2.6, 3.1(d), 3.1(e), 3.1(f), 3.2(d), 3.2(e), 3.2(f), 3.2(g), and 3.3, the second paragraph of Section 5.1 (excluding the last two sentences other than the restrictions, which shall survive), the third paragraph of Section 5.1, the last sentence of the first paragraph of Section 5.3 and the limitations and restrictions of Section 5.3, Section 5.4, the first sentence of and the restrictions of Section 6.6, the restrictions of Section 6.7, the second paragraph of Section 6.9, Section 7.1 (Schedule 1 for the Delivery Period), the restrictions of Section 7.3, 7.4, and 7.5, Section 7.6, Section 9 through 14 inclusive; within Attachment 1, the last sentence of Section 1.1, Section 2, Section 3.2 (but only for existing promotions), the second and third sentences of Section 4, Section 5, and Section 6; within Attachment 2, Sections 1.3, 2, 3, 4, 5, 6, and 7; within Attachment 3, Sections 1, 2 (except the second sentence of Section 2.1), 3 and 4; within Attachment 4, Sections 1.2, 1.5, 1.6, 2, 3, and 4; within Attachment 5, Sections 2.2, 2.3, 2.4 (but only for existing promotions), 3.3, and 5; within Attachment 6, Sections 1.2, 1.3, 2, 3, and 4; and within Attachment 7, Section 1.1 and Section 1.2. Apple will not be liable for compensation, indemnity, or damages of any sort as a result of terminating this Agreement in accordance with its terms, and termination of this Agreement will be without prejudice to any other right or remedy Apple may have, now or in the future.

12. NO WARRANTY

The Apple Software or Services may contain inaccuracies or errors that could cause failures or loss of data and it may be incomplete. Apple and its licensors reserve the right to change, suspend, remove, or disable access to any Services (or any part thereof) at any time without notice. In no event will Apple or its licensors be liable for the removal of or disabling of access to any such Services. Apple or its licensors may also impose limits on the use of or access to certain Services, or may remove the Services for indefinite time periods, or cancel the Services at any time, and in any case and without notice or liability. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, YOU EXPRESSLY ACKNOWLEDGE AND AGREE THAT USE OF THE APPLE SOFTWARE, SECURITY SOLUTION, AND ANY SERVICES IS AT YOUR SOLE RISK AND THAT THE ENTIRE RISK AS TO SATISFACTORY QUALITY, PERFORMANCE, ACCURACY AND EFFORT IS WITH YOU. THE APPLE SOFTWARE, SECURITY SOLUTION, AND ANY SERVICES ARE PROVIDED "AS IS" AND "AS AVAILABLE", WITH ALL FAULTS AND WITHOUT WARRANTY OF ANY KIND, AND APPLE, APPLE'S AGENTS AND APPLE'S LICENSORS (**COLLECTIVELY REFERRED TO AS "APPLE" FOR THE PURPOSES OF SECTIONS 12 AND 13**) HEREBY DISCLAIM ALL WARRANTIES AND CONDITIONS WITH RESPECT TO THE APPLE SOFTWARE, SECURITY SOLUTION, AND SERVICES, EITHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES AND CONDITIONS OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, TIMELINESS, AND NON-INFRINGEMENT OF THIRD PARTY RIGHTS. APPLE DOES NOT WARRANT AGAINST INTERFERENCE WITH YOUR ENJOYMENT OF THE APPLE SOFTWARE, SECURITY SOLUTION, OR SERVICES, THAT THE APPLE SOFTWARE, SECURITY SOLUTION, OR SERVICES WILL MEET YOUR REQUIREMENTS, THAT THE OPERATION OF THE APPLE SOFTWARE, SECURITY SOLUTION, OR THE PROVISION OF SERVICES WILL BE

UNINTERRUPTED, TIMELY, SECURE OR ERROR-FREE, THAT DEFECTS OR ERRORS IN THE APPLE SOFTWARE, SECURITY SOLUTION, OR SERVICES WILL BE CORRECTED, OR THAT THE APPLE SOFTWARE, SECURITY SOLUTION, OR SERVICES WILL BE COMPATIBLE WITH FUTURE APPLE PRODUCTS, SERVICES OR SOFTWARE OR ANY THIRD PARTY SOFTWARE, APPLICATIONS, OR SERVICES, OR THAT ANY INFORMATION STORED OR TRANSMITTED THROUGH ANY APPLE SOFTWARE OR SERVICES WILL NOT BE LOST, CORRUPTED OR DAMAGED. YOU ACKNOWLEDGE THAT THE APPLE SOFTWARE AND SERVICES ARE NOT INTENDED OR SUITABLE FOR USE IN SITUATIONS OR ENVIRONMENTS WHERE ERRORS, DELAYS, FAILURES OR INACCURACIES IN THE TRANSMISSION OR STORAGE OF DATA OR INFORMATION BY OR THROUGH THE APPLE SOFTWARE OR SERVICES COULD LEAD TO DEATH, PERSONAL INJURY, OR FINANCIAL, PHYSICAL, PROPERTY OR ENVIRONMENTAL DAMAGE, INCLUDING WITHOUT LIMITATION THE OPERATION OF NUCLEAR FACILITIES, AIRCRAFT NAVIGATION OR COMMUNICATION SYSTEMS, AIR TRAFFIC CONTROL, LIFE SUPPORT OR WEAPONS SYSTEMS. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY APPLE OR AN APPLE AUTHORIZED REPRESENTATIVE WILL CREATE A WARRANTY NOT EXPRESSLY STATED IN THIS AGREEMENT. SHOULD THE APPLE SOFTWARE, SECURITY SOLUTION, OR SERVICES PROVE DEFECTIVE, YOU ASSUME THE ENTIRE COST OF ALL NECESSARY SERVICING, REPAIR OR CORRECTION. Location data as well as any maps data provided by any Services or software is for basic navigational purposes only and is not intended to be relied upon in situations where precise location information is needed or where erroneous, inaccurate or incomplete location data may lead to death, personal injury, property or environmental damage. Neither Apple nor any of its licensors guarantees the availability, accuracy, completeness, reliability, or timeliness of location data or any other data or information displayed by any Services or software.

13. LIMITATION OF LIABILITY

TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, IN NO EVENT WILL APPLE BE LIABLE FOR PERSONAL INJURY, OR ANY INCIDENTAL, SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES WHATSOEVER, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF PROFITS, LOSS OF DATA, BUSINESS INTERRUPTION OR ANY OTHER COMMERCIAL DAMAGES OR LOSSES, ARISING OUT OF OR RELATED TO THIS AGREEMENT, YOUR USE OR INABILITY TO USE THE APPLE SOFTWARE, SECURITY SOLUTION, SERVICES, APPLE CERTIFICATES, OR YOUR DEVELOPMENT EFFORTS OR PARTICIPATION IN THE PROGRAM, HOWEVER CAUSED, WHETHER UNDER A THEORY OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), PRODUCTS LIABILITY, OR OTHERWISE, EVEN IF APPLE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY REMEDY. In no event shall Apple’s total liability to You under this Agreement for all damages (other than as may be required by applicable law in cases involving personal injury) exceed the amount of fifty dollars ($50.00).

14. General Legal Terms

14.1 Third Party Notices

Portions of the Apple Software or Services may utilize or include third party software and other copyrighted material. Acknowledgements, licensing terms and disclaimers for such material are contained in the electronic documentation for the Apple Software and Services, and Your use of such material is governed by their respective terms.

14.2 Consent to Collection and Use of Data

A. Pre-Release Versions of iOS, watchOS, tvOS, iPadOS, and macOS

In order to provide, test and help Apple, its partners, and third party developers improve their products and services, and unless You or Your Authorized Developers opt out in the pre-release versions of iOS, watchOS, tvOS, iPadOS, or macOS, as applicable, You acknowledge that Apple and its subsidiaries and agents will be collecting, using, storing, transmitting, processing and analyzing (collectively, "**Collecting**") diagnostic, technical, and usage logs and information from Your Authorized Test Units (that are running pre-release versions of the Apple Software and services) as part of the developer seeding process. This information will be Collected in a form that does not personally identify You or Your Authorized Developers and may be Collected from Your Authorized Test Units at any time. The information that would be Collected includes, but is not limited to, general diagnostic and usage data, various unique device identifiers, various unique system or hardware identifiers, details about hardware and operating system specifications, performance statistics, and data about how You use Your Authorized Test Unit, system and application software, and peripherals, and, if Location Services is enabled, certain location information. You agree that Apple may share such diagnostic, technical, and usage logs and information with partners and third-party developers for purposes of allowing them to improve their products and services that operate on or in connection with Apple-branded products. **By installing or using pre-release versions of iOS, watchOS, tvOS, iPadOS, or macOS on Your Authorized Test Units, You acknowledge and agree that Apple and its subsidiaries and agents have Your permission to Collect all such information and use it as set forth above in this Section.**

B. Other Pre-Release Apple Software and Services

In order to test, provide and improve Apple's products and services, and only if You choose to install or use other pre-release Apple Software or Services provided as part of the developer seeding process or Program, You acknowledge that Apple and its subsidiaries and agents may be Collecting diagnostic, technical, usage and related information from other pre-release Apple Software and Services. Apple will notify You about the Collection of such information on the Program web portal, and You should carefully review the release notes and other information disclosed by Apple in such location prior to choosing whether or not to install or use any such pre-release Apple Software or Services. **By installing or using such pre-release Apple Software and Services, You acknowledge and agree that Apple and its subsidiaries and agents have Your permission to Collect any and all such information and use it as set forth above.**

C. Device Deployment Services

In order to set up and use the device provisioning, account authentication, and deployment features of the Apple Software and Services, certain unique identifiers for Your computer, iOS Products, watchOS devices, tvOS devices, and account information may be needed. These unique identifiers may include Your email address, Your Apple ID, a hardware identifier for Your computer, and device identifiers entered by You into the Apple Software or Services for such Apple-branded products. Such identifiers may be logged in association with Your interaction with the Service and Your use of these features and the Apple Software and Services. **By using these features, You agree that Apple and its subsidiaries**

and agents may Collect this information for the purpose of providing the Apple Software and Services, including using such identifiers for account verification and anti-fraud measures. If You do not want to provide this information, do not use the provisioning, deployment or authentication features of the Apple Software or Services.

D. Apple Services

In order to test, provide and improve Apple's products and services, and only if You choose to use the Services provided hereunder (and except as otherwise provided herein), You acknowledge that Apple and its subsidiaries and agents may be Collecting diagnostic, technical, usage and related information from the Apple Services. Some of this information will be Collected in a form that does not personally identify You. However, in some cases, Apple may need to Collect information that would personally identify You, but only if Apple has a good faith belief that such Collection is reasonably necessary to: (a) provide the Apple Services; (b) comply with legal process or request; (c) verify compliance with the terms of this Agreement; (d) prevent fraud, including investigating any potential technical issues or violations; or (e) protect the rights, property, security or safety of Apple, its developers, customers or the public as required or permitted by law. **By installing or using such Apple Services, You acknowledge and agree that Apple and its subsidiaries and agents have Your permission to Collect any and all such information and use it as set forth in this Section.** Further, You agree that Apple may share the diagnostic, technical, and usage logs and information (excluding personally identifiable information) with partners and third-party developers for purposes of allowing them to improve their products and services that operate on or in connection with Apple-branded products.

E. Privacy Policy

Data collected pursuant to this **Section 14.2** will be treated in accordance with Apple's Privacy Policy which can be viewed at http://www.apple.com/legal/privacy.

14.3 Assignment; Relationship of the Parties

This Agreement may not be assigned, nor may any of Your obligations under this Agreement be delegated, in whole or in part, by You by operation of law, merger, or any other means without Apple's express prior written consent and any attempted assignment without such consent will be null and void. To submit a request for Apple's consent to assignment, please log into your account at developer.apple.com and follow the steps under Membership. Except for the agency appointment as specifically set forth in Schedule 1 (if applicable), this Agreement will not be construed as creating any other agency relationship, or a partnership, joint venture, fiduciary duty, or any other form of legal association between You and Apple, and You will not represent to the contrary, whether expressly, by implication, appearance or otherwise. This Agreement is not for the benefit of any third parties.

14.4 Independent Development

Nothing in this Agreement will impair Apple's right to develop, acquire, license, market, promote, or distribute products or technologies that perform the same or similar functions as, or otherwise compete with, Licensed Applications, Covered Products, or any other products or technologies that You may develop, produce, market, or distribute.

14.5 Notices

Any notices relating to this Agreement shall be in writing, except as otherwise set forth in **Section 14.3**. Notices will be deemed given by Apple when sent to You at the email address or mailing address You provided during the sign-up process. Except as set forth in **Section 14.3**, all notices to Apple relating to this Agreement will be deemed given (a) when delivered personally, (b) three business days after having been sent by commercial overnight carrier with written proof of delivery, and (c) five business days after having been sent by first class or certified mail, postage prepaid, to this Apple address: Developer Relations Legal, Apple Inc., One Apple Park Way, 37-2ISM, Cupertino, California, 95014 U.S.A. You consent to receive notices by email and agree that any such notices that Apple sends You electronically will satisfy any legal communication requirements. A party may change its email or mailing address by giving the other written notice as described above.

14.6 Severability

If a court of competent jurisdiction finds any clause of this Agreement to be unenforceable for any reason, that clause of this Agreement shall be enforced to the maximum extent permissible so as to effect the intent of the parties, and the remainder of this Agreement shall continue in full force and effect. However, if applicable law prohibits or restricts You from fully and specifically complying with, or appointing Apple and Apple Subsidiaries as Your agent under Schedule 1 or the Sections of this Agreement entitled "Internal Use License and Restrictions", "Your Obligations" or "Apple Certificates; Revocation", or prevents the enforceability of any of those Sections or Schedule 1, this Agreement will immediately terminate and You must immediately discontinue any use of the Apple Software as described in the Section entitled "Term and Termination."

14.7 Waiver and Construction

Failure by Apple to enforce any provision of this Agreement shall not be deemed a waiver of future enforcement of that or any other provision. Any laws or regulations that provide that the language of a contract will be construed against the drafter will not apply to this Agreement. Section headings are for convenience only and are not to be considered in construing or interpreting this Agreement.

14.8 Export Control

A. You may not use, export, re-export, import, sell, release, or transfer the Apple Software, Services, or Documentation except as authorized by United States law, the laws of the jurisdiction in which You obtained the Apple Software, and any other applicable laws and regulations. In particular, but without limitation, the Apple Software, Services, source code, technology, and Documentation (collectively referred to as "Apple Technology" for purposes of this **Section 14.8**) may not be exported, or re-exported, transferred, or released (a) into any U.S. embargoed countries or (b) to anyone on the U.S. Treasury Department's list of Specially Designated Nationals or the U.S. Department of Commerce's Denied Persons List or on any other restricted party lists. By using the Apple Technology, You represent and warrant that You are not located in any such country or on any such list. You also agree that You will not use the Apple Technology, including any pre-release versions thereof, for any purposes prohibited by United States law, including, without limitation, the development, design, manufacture or production of nuclear, missile, chemical or biological weapons or any other military end uses as defined in 15 C.F.R. § 744. You certify that pre-release versions of the Apple Technology will only be used for development and testing purposes, and will not be rented, sold, leased, sublicensed, assigned, or otherwise transferred. Further, You certify that You will not sell, transfer or export any product, process or service that is a direct product of such pre-release Apple Technology.

B. You represent and warrant that You and any entity or person that directly or indirectly controls You, or is under common control with You, are not: (a) on any sanctions lists in the countries available in App Store Connect, (b) doing business in any of the US embargoed countries, and (c) a military end user as defined and scoped in 15 C.F.R § 744. As used in this **Section 14.8**, "control" means that an entity or person possesses, directly or indirectly, the power to direct or cause the direction of the management policies of the other entity, whether through ownership of voting securities, an interest in registered capital, by contract, or otherwise.

14.9 Government End-users

The Apple Software and Documentation are "Commercial Items", as that term is defined at 48 C.F.R. §2.101, consisting of "Commercial Computer Software" and "Commercial Computer Software Documentation", as such terms are used in 48 C.F.R. §12.212 or 48 C.F.R. §227.7202, as applicable. Consistent with 48 C.F.R. §12.212 or 48 C.F.R. §227.7202-1 through 227.7202-4, as applicable, the Commercial Computer Software and Commercial Computer Software Documentation are being licensed to U.S. Government end-users (a) only as Commercial Items and (b) with only those rights as are granted to all other end-users pursuant to the terms and conditions herein. Unpublished-rights reserved under the copyright laws of the United States.

14.10 Dispute Resolution; Governing Law

Any litigation or other dispute resolution between You and Apple arising out of or relating to this Agreement, the Apple Software, or Your relationship with Apple will take place in the Northern District of California, and You and Apple hereby consent to the personal jurisdiction of and exclusive venue in the state and federal courts within that District with respect any such litigation or dispute resolution. This Agreement will be governed by and construed in accordance with the laws of the United States and the State of California, except that body of California law concerning conflicts of law. Notwithstanding the foregoing:

(a) If You are an agency, instrumentality or department of the federal government of the United States, then this Agreement shall be governed in accordance with the laws of the United States of America, and in the absence of applicable federal law, the laws of the State of California will apply. Further, and notwithstanding anything to the contrary in this Agreement (including but not limited to **Section 10 (Indemnification)**), all claims, demands, complaints and disputes will be subject to the Contract Disputes Act (41 U.S.C. §§601-613), the Tucker Act (28 U.S.C. § 1346(a) and § 1491), or the Federal Tort Claims Act (28 U.S.C. §§ 1346(b), 2401-2402, 2671-2672, 2674-2680), as applicable, or other applicable governing authority. For the avoidance of doubt, if You are an agency, instrumentality, or department of the federal, state or local government of the U.S. or a U.S. public and accredited educational institution, then Your indemnification obligations are only applicable to the extent they would not cause You to violate any applicable law (e.g., the Anti-Deficiency Act), and You have any legally required authorization or authorizing statute; (b) If You (as an entity entering into this Agreement) are a U.S. public and accredited educational institution or an agency, instrumentality, or department of a state or local government within the United States, then (a) this Agreement will be governed and construed in accordance with the laws of the state (within the U.S.) in which Your entity is domiciled, except that body of state law concerning

conflicts of law; and (b) any litigation or other dispute resolution between You and Apple arising out of or relating to this Agreement, the Apple Software, or Your relationship with Apple will take place in federal court within the Northern District of California, and You and Apple hereby consent to the personal jurisdiction of and exclusive venue of such District unless such consent is expressly prohibited by the laws of the state in which Your entity is domiciled; and (c) If You are an international, intergovernmental organization that has been conferred immunity from the jurisdiction of national courts through Your intergovernmental charter or agreement, then any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be determined by arbitration administered by the International Centre for Dispute Resolution in accordance with its International Arbitration Rules. The place of arbitration shall be London, England; the language shall be English; and the number of arbitrators shall be three. Upon Apple's request, You agree to provide evidence of Your status as an intergovernmental organization with such privileges and immunities.

This Agreement shall not be governed by the United Nations Convention on Contracts for the International Sale of Goods, the application of which is expressly excluded.

14.11 Entire Agreement; Governing Language

This Agreement constitutes the entire agreement between the parties with respect to the use of the Apple Software, Apple Services and Apple Certificates licensed hereunder and, except as otherwise set forth herein, supersedes all prior understandings and agreements regarding its subject matter. Notwithstanding the foregoing, to the extent that You are provided with pre-release materials under the Program and such pre-release materials are subject to a separate license agreement, You agree that the license agreement accompanying such materials in addition to **Section 9 (Confidentiality)** of this Agreement shall also govern Your use of such materials. If You have entered or later enter into the Xcode and Apple SDKs Agreement, this Apple Developer Program License Agreement will govern in the event of any inconsistencies between the two with respect to the same subject matter; provided, however, that this Apple Developer Program License Agreement is not intended to prevent You from exercising any rights granted to You in the Xcode and Apple SDKs Agreement in accordance with the terms and conditions set forth therein. If You have entered or later enter into the Swift Playgrounds Agreement, this Apple Developer Program License Agreement will govern in the event of any inconsistencies between the two with respect to the same subject matter; provided, however, that this Apple Developer Program License Agreement is not intended to prevent You from exercising any rights granted to You in the Swift Playgrounds Agreement in accordance with the terms and conditions set forth therein. This Agreement may be modified only: (a) by a written amendment signed by both parties, or (b) to the extent expressly permitted by this Agreement (for example, by Apple by written or email notice to You). Any translation is provided as a courtesy to You, and in the event of a dispute between the English and any non-English version, the English version of this Agreement shall govern, to the extent not prohibited by local law in Your jurisdiction. If You are located in the province of Quebec, Canada or are a government organization within France, then the following clause applies to You: The parties hereby confirm that they have requested that this Agreement and all related documents be drafted in English. *Les parties ont exigé que le présent contrat et tous les documents connexes soient rédigés en anglais*.

Attachment 1
(to the Agreement)

Additional Terms for Apple Push Notification Service and Local Notifications

The following terms are in addition to the terms of the Agreement and apply to any use of the APN (Apple Push Notification Service):

1. Use of the APN and Local Notifications

1.1 You may use the APN only in Your Applications, Your Passes, and/or in sending Safari Push Notifications to the macOS desktop of users of Your Site who have opted in to receive Notifications through Safari on macOS. You, Your Application and/or Your Pass may access the APN only via the APN API and only if You have been assigned a Push Application ID by Apple. Except for a Service Provider who is assisting You with using the APN, You agree not to share Your Push Application ID with any third party. You understand that You will not be permitted to access or use the APN after expiration or termination of Your Agreement.

1.2 You are permitted to use the APN and the APN APIs only for the purpose of sending Push Notifications to Your Application, Your Pass, and/or to the macOS desktop of users of Your Site who have opted in to receive Notifications through Safari on macOS as expressly permitted by the Agreement, the APN Documentation and all applicable laws and regulations (including all intellectual property laws). You further agree that You must disclose to Apple any use of the APN as part of the submission process for Your Application.

1.3 You understand that before You send an end-user any Push Notifications through the APN, the end-user must consent to receive such Notifications. You agree not to disable, override or otherwise interfere with any Apple-implemented consent panels or any Apple system preferences for enabling or disabling Notification functionality. If the end-user's consent to receive Push Notifications is denied or later withdrawn, You may not send the end-user Push Notifications.

2. Additional Requirements

2.1 You may not use the APN or Local Notifications for the purpose of sending unsolicited messages to end-users or for the purpose of phishing or spamming, including, but not limited to, engaging in any types of activities that violate anti-spamming laws and regulations, or that are otherwise improper, inappropriate or illegal. The APN and Local Notifications should be used for sending relevant messages to a user that provide a benefit (e.g., a response to an end-user request for information, provision of pertinent information relevant to the Application).

2.2 You may not use the APN or Local Notifications for the purposes of advertising, product promotion, or direct marketing of any kind (e.g., up-selling, cross-selling, etc.), including, but not limited to, sending any messages to promote the use of Your Application or advertise the availability of new features or versions. Notwithstanding the foregoing, You may use the APN or Local Notifications for promotional purposes in connection with Your Pass so long as such use is directly related to the Pass, e.g., a store coupon may be sent to Your Pass in Wallet.

2.3 You may not excessively use the overall network capacity or bandwidth of the APN, or unduly burden an iOS Product, Apple Watch, macOS or an end-user with excessive Push Notifications or Local Notifications, as may be determined by Apple in its reasonable discretion. In addition, You agree not to harm or interfere with Apple's networks or servers, or any third party servers or networks connected to the APN, or otherwise disrupt other developers' use of the APN.

2.4 You may not use the APN or Local Notifications to send material that contains any obscene, pornographic, offensive or defamatory content or materials of any kind (text, graphics, images, photographs, sounds, etc.), or other content or materials that in Apple's reasonable judgment may be found objectionable by the end-user of Your Application, Pass or Site.

2.5 You may not transmit, store or otherwise make available any material that contains viruses or any other computer code, files or programs that may harm, disrupt or limit the normal operation of the APN or an iOS Product, Apple Watch, or macOS, and You agree not to disable, spoof, hack or otherwise interfere with any security, digital signing, verification or authentication mechanisms that are incorporated in or used by the APN, or enable others to do so.

3. Additional Terms for Website Push IDs

3.1 Subject to the terms of this Agreement, You understand and agree that Safari Push Notifications that You send using Your Website Push ID must be sent under Your own name, trademark or brand (e.g., a user should know that the communication is coming from Your Site) and must include an icon, trademark, logo or other identifying mark for Your Site. You agree not to misrepresent or impersonate another Site or entity or otherwise mislead users about the originator of the Safari Push Notification. To the extent that You reference a third party's trademark or brand within Your Safari Push Notification, You represent and warrant that You have any necessary rights.

3.2 By enabling the APN and sending Safari Push Notifications for Your Site as permitted in this Agreement, You hereby permit Apple to use (i) screenshots of Your Safari Push Notifications on macOS; and (ii) trademarks and logos associated with such Notifications, for promotional purposes in Apple's marketing materials, excluding those portions which You do not have the right to use for promotional purposes and which You identify in writing to Apple. You also permit Apple to use images and other materials that You may provide to Apple, at Apple's reasonable request, for promotional purposes in marketing materials.

4. Delivery by the APN or via Local Notifications. You understand and agree that in order to provide the APN and make Your Push Notifications available on iOS Products, Apple Watch, or macOS, Apple may transmit Your Push Notifications across various public networks, in various media, and modify or change Your Push Notifications to comply with the technical and other requirements for connecting to networks or devices. You acknowledge and agree that the APN is not, and is not intended to be, a guaranteed or secure delivery service, and You shall not use or rely upon it as such. Further, as a condition to using the APN or delivering Local Notifications, You agree not to transmit sensitive personal or confidential information belonging to an individual (e.g., a social security number, financial account or transactional information, or any information where the individual may have a reasonable expectation of secure transmission) as part of any such Notification, and You agree to comply with any applicable notice or consent requirements with respect to any collection, transmission, maintenance, processing or use of an end-user's personal information.

5. Your Acknowledgements. You acknowledge and agree that:

5.1 Apple may at any time, and from time to time, with or without prior notice to You (a) modify the APN, including changing or removing any feature or functionality, or (b) modify, deprecate, reissue or republish the APN APIs. You understand that any such modifications may require You to change or update Your Applications, Passes or Sites at Your own cost. Apple has no express or implied obligation to provide, or continue to provide, the APN and may suspend or discontinue all or any portion of the APN at any time. Apple shall not be liable for any losses, damages or costs of any kind incurred by You or any other party arising out of or related to any such service suspension or discontinuation or any such modification of the APN or APN APIs.

5.2 The APN is not available in all languages or in all countries and Apple makes no representation that the APN is appropriate or available for use in any particular location. To the extent You choose to access and use the APN, You do so at Your own initiative and are responsible for compliance with any applicable laws, including but not limited to any local laws.

5.3 Apple provides the APN to You for Your use with Your Application, Pass, or Site, and does not provide the APN directly to any end-user. You acknowledge and agree that any Push Notifications are sent by You, not Apple, to the end-user of Your Application, Pass or Site, and You are solely liable and responsible for any data or content transmitted therein and for any such use of the APN. Further, You acknowledge and agree that any Local Notifications are sent by You, not Apple, to the end-user of Your Application, and You are solely liable and responsible for any data or content transmitted therein.

5.4 Apple makes no guarantees to You in relation to the availability or uptime of the APN and is not obligated to provide any maintenance, technical or other support for the APN.

5.5 Apple reserves the right to remove Your access to the APN, limit Your use of the APN, or revoke Your Push Application ID at any time in its sole discretion.

5.6 Apple may monitor and collect information (including but not limited to technical and diagnostic information) about Your usage of the APN to aid Apple in improving the APN and other Apple products or services and to verify Your compliance with this Agreement; provided however that Apple will not access or disclose the content of any Push Notification unless Apple has a good faith belief that such access or disclosure is reasonably necessary to: (a) comply with legal process or request; (b) enforce the terms of this Agreement, including investigation of any potential violation hereof; (c) detect, prevent or otherwise address security, fraud or technical issues; or (d) protect the rights, property or safety of Apple, its developers, customers or the public as required or permitted by law. Notwithstanding the foregoing, You acknowledge and agree that iOS, iPadOS, macOS, and watchOS may access Push Notifications locally on a user's device solely for the purposes of responding to user requests and personalizing user experience and suggestions on device.

6. Additional Liability Disclaimer. APPLE SHALL NOT BE LIABLE FOR ANY DAMAGES OR LOSSES ARISING FROM ANY USE OF THE APN, INCLUDING ANY INTERRUPTIONS TO THE APN OR ANY USE OF NOTIFICATIONS, INCLUDING, BUT NOT LIMITED TO, ANY POWER OUTAGES, SYSTEM FAILURES, NETWORK ATTACKS, SCHEDULED OR UNSCHEDULED MAINTENANCE, OR OTHER INTERRUPTIONS.

Attachment 2
(to the Agreement)

Additional Terms for Use of the In-App Purchase API

The following terms are in addition to the terms of the Agreement and apply to any use of the In-App Purchase API in Your Application:

1. Use of the In-App Purchase API

1.1 You may use the In-App Purchase API only to enable end-users to access or receive content, functionality, or services that You make available for use within Your Application (e.g., digital books, additional game levels, access to a turn-by-turn map service). You may not use the In-App Purchase API to offer goods or services to be used outside of Your Application.

1.2 You must submit to Apple for review and approval all content, functionality, or services that You plan to provide through the use of the In-App Purchase API in accordance with these terms and the processes set forth in **Section 6 (Application Submission and Selection)** of the Agreement. For all submissions, You must provide the name, text description, price, unique identifier number, and other information that Apple reasonably requests (collectively, the "**Submission Description**"). Apple reserves the right to review the actual content, functionality or service that has been described in the Submission Descriptions at any time, including, but not limited to, in the submission process and after approval of the Submission Description by Apple. If You would like to provide additional content, functionality or services through the In-App Purchase API that are not described in Your Submission Description, then You must first submit a new or updated Submission Description for review and approval by Apple prior to making such items available through the use of the In-App Purchase API. Apple reserves the right to withdraw its approval of content, functionality, or services previously approved, and You agree to stop making any such content, functionality, or services available for use within Your Application.

1.3 All content, functionality, and services offered through the In-App Purchase API are subject to the Program Requirements for Applications, and after such content, services or functionality are added to a Licensed Application, they will be deemed part of the Licensed Application and will be subject to all the same obligations and requirements. For clarity, Applications that provide keyboard extension functionality may not use the In-App Purchase API within the keyboard extension itself; however, they may continue to use the In-App Purchase API in separate areas of the Application.

2. Additional Restrictions

2.1 You may not use the In-App Purchase API to enable an end-user to set up a pre-paid account to be used for subsequent purchases of content, functionality, or services, or otherwise create balances or credits that end-users can redeem or use to make purchases at a later time.

2.2 You may not enable end-users to purchase Currency of any kind through the In-App Purchase API, including but not limited to any Currency for exchange, gifting, redemption, transfer, trading or use in purchasing or obtaining anything within or outside of Your Application. "Currency" means any form of currency, points, credits, resources, content or other items or units recognized by a group of individuals or entities as representing a particular value and that can be transferred or circulated as a medium of exchange.

2.3 Content and services may be offered through the In-App Purchase API on a subscription basis (e.g., subscriptions to newspapers and magazines). Rentals of content, services or functionality through the In-App Purchase API are not allowed (e.g., use of particular content may not be restricted to a pre-determined, limited period of time).

2.4 You may not use the In-App Purchase API to send any software updates to Your Application or otherwise add any additional executable code to Your Application. An In-App Purchase item must either already exist in Your Application waiting to be unlocked, be streamed to Your Application after the In-App Purchase API transaction has been completed, or be downloaded to Your Application solely as data after such transaction has been completed.

2.5 You may not use the In-App Purchase API to deliver any items that contain content or materials of any kind (text, graphics, images, photographs, sounds, etc.) that in Apple's reasonable judgment may be found objectionable or inappropriate, for example, materials that may be considered obscene, pornographic, or defamatory.

2.6 With the exception of items of content that an end-user consumes or uses up within Your Application (e.g., virtual supplies such as construction materials) (a "Consumable"), any other content, functionality, services or subscriptions delivered through the use of the In-App Purchase API (e.g., a sword for a game) (a "Non-Consumable") must be made available to end-users in accordance with the same usage rules as Licensed Applications (e.g., any such content, services or functionality must be available to all of the devices associated with an end-user's account). You will be responsible for identifying Consumable items to Apple and for disclosing to end-users that Consumables will not be available for use on other devices.

3. Your Responsibilities

3.1 For each successfully completed transaction made using the In-App Purchase API, Apple will provide You with a transaction receipt. It is Your responsibility to verify the validity of such receipt prior to the delivery of any content, functionality, or services to an end-user and Apple will not be liable for Your failure to verify that any such transaction receipt came from Apple.

3.2 Unless Apple provides You with user interface elements, You are responsible for developing the user interface Your Application will display to end-users for orders made through the In-App Purchase API. You agree not to misrepresent, falsely claim, mislead or engage in any unfair or deceptive acts or practices regarding the promotion and sale of items through Your use of the In-App Purchase API, including, but not limited to, in the Licensed Application Information and any metadata that You submit through App Store Connect. You agree to comply with all applicable laws and regulations, including those in any jurisdictions in which You make content, functionality, services or subscriptions available through the use of the In-App Purchase API, including but not limited to consumer laws and export regulations.

3.3 Apple may provide hosting services for Non-Consumables that You would like to provide to Your end-users through the use of the In-App Purchase API. Even if Apple hosts such Non-Consumables on Your behalf, You are responsible for providing items ordered through the In-App Purchase API in a timely manner (i.e., promptly after Apple issues the transaction receipt, except in cases where You have disclosed to Your end-user that the item will be made available at a later time) and for complying with all applicable laws in connection therewith, including but not limited to, laws, rules and regulations related to cancellation or delivery of ordered items. You are responsible for maintaining Your own records for all such transactions.

3.4 You will not issue any refunds to end-users of Your Application, and You agree that Apple may issue refunds to end-users in accordance with the terms of Schedule 2.

3.5 You may provide Apple, its subsidiaries, and agents with end-user consumption information from Your Application in order to inform and improve the refund process. You shall provide notice to the user and/or obtain consent from the user in compliance with the Documentation and applicable laws.

4. Apple Services

4.1 From time to time, Apple may choose to offer additional services and functionality relating to In-App Purchase API transactions. Apple makes no guarantees that the In-App Purchase API or any Services will continue to be made available to You or that they will meet Your requirements, be uninterrupted, timely, secure or free from error, that any information that You obtain from the In-App Purchase API or any Services will be accurate or reliable or that any defects will be corrected.

4.2 You understand that You will not be permitted to access or use the In-App Purchase API after expiration or termination of Your Agreement.

5. Your Acknowledgements. You acknowledge and agree that: Apple may at any time, and from time to time, with or without prior notice to You (a) modify the In-App Purchase API, including changing or removing any feature or functionality, or (b) modify, deprecate, reissue or republish the In-App Purchase API. You understand that any such modifications may require You to change or update Your Applications at Your own cost in order to continue to use the In-App Purchase API. Apple has no express or implied obligation to provide, or continue to provide, the In-App Purchase API or any services related thereto and may suspend or discontinue all or any portion of thereof at any time. Apple shall not be liable for any losses, damages or costs of any kind incurred by You or any other party arising out of or related to any suspension, discontinuation or modification of the In-App Purchase API or any services related thereto. Apple makes no guarantees to You in relation to the availability or uptime of the In-App Purchase API or any other services that Apple may provide to You in connection therewith, and Apple is not obligated to provide any maintenance, technical or other support related thereto. Apple provides the In-App Purchase API to You for Your use with Your Application, and may provide services to You in connection therewith (e.g., hosting services for Non-Consumable items). Apple is not responsible for providing or unlocking any content, functionality, services or subscriptions that an end-user orders through Your use of the In-App Purchase API. You acknowledge and agree that any such items are made available by You, not Apple, to the end-user of Your Application, and You are solely liable and responsible for such items ordered through the use of the In-App Purchase API and for any such use of the In-App Purchase API in Your Application or for any use of services in connection therewith.

6. Use of Digital Certificates for In-App Purchase. When an end-user completes a transaction using the In-App Purchase API in Your Application, Apple will provide You with a transaction receipt signed with an Apple Certificate. It is Your responsibility to verify that such certificate and receipt were issued by Apple, as set forth in the Documentation. You are solely responsible for Your decision to rely on any such certificates and receipts. YOUR USE OF OR RELIANCE ON SUCH CERTIFICATES AND RECEIPTS IN CONNECTION WITH THE IN-APP PURCHASE API IS AT YOUR SOLE RISK. APPLE MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AS TO

MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, ACCURACY, RELIABILITY, SECURITY, OR NON-INFRINGEMENT OF THIRD PARTY RIGHTS WITH RESPECT TO SUCH APPLE CERTIFICATES AND RECEIPTS. You agree that You will only use such receipts and certificates in accordance with the Documentation, and that You will not interfere or tamper with the normal operation of such digital certificates or receipts, including but not limited to any falsification or other misuse.

7. Additional Liability Disclaimer. APPLE SHALL NOT BE LIABLE FOR ANY DAMAGES OR LOSSES ARISING FROM THE USE OF THE IN-APP PURCHASE API AND ANY SERVICES, INCLUDING, BUT NOT LIMITED TO, (I) ANY LOSS OF PROFIT (WHETHER INCURRED DIRECTLY OR INDIRECTLY), ANY LOSS OF GOODWILL OR BUSINESS REPUTATION, ANY LOSS OF DATA SUFFERED, OR OTHER INTANGIBLE LOSS, (II) ANY CHANGES WHICH APPLE MAY MAKE TO THE IN-APP PURCHASE API OR ANY SERVICES, OR FOR ANY PERMANENT OR TEMPORARY CESSATION IN THE PROVISION OF THE IN-APP PURCHASE API OR ANY SERVICES (OR ANY FEATURES WITHIN THE SERVICES) PROVIDED THEREWITH, OR (III) THE DELETION OF, CORRUPTION OF, OR FAILURE TO PROVIDE ANY DATA TRANSMITTED BY OR THROUGH YOUR USE OF THE IN-APP PURCHASE API OR SERVICES. It is Your responsibility to maintain appropriate alternate backup of all Your information and data, including but not limited to any Non-Consumables that You may provide to Apple for hosting services.

Attachment 3
(to the Agreement)

Additional Terms for the Game Center

The following terms are in addition to the terms of the Agreement and apply to any use of the Game Center service by You or Your Application.

1. Use of the Game Center service

1.1 You and Your Application may not connect to or use the Game Center service in any way not expressly authorized by Apple. You agree to only use the Game Center service in accordance with this Agreement (including this Attachment 3), the Game Center Documentation and in accordance with all applicable laws. You understand that neither You nor Your Application will be permitted to access or use the Game Center service after expiration or termination of Your Agreement.

1.2 Apple may provide You with a unique identifier which is associated with an end-user's alias as part of the Game Center service (the "Player ID"). You agree to not display the Player ID to the end-user or to any third party, and You agree to only use the Player ID for differentiation of end-users in connection with Your use of the Game Center. You agree not to reverse look-up, trace, relate, associate, mine, harvest, or otherwise exploit the Player ID, aliases or other data or information provided by the Game Center service, except to the extent expressly permitted herein. For example, You will not attempt to determine the real identity of an end-user.

1.3 You will only use information provided by the Game Center service as necessary for providing services and functionality for Your Applications. For example, You will not host or export any such information to a third party service. Further, You agree not to transfer or copy any user information or data (whether individually or in the aggregate) obtained through the Game Center service to a third party except as necessary for providing services and functionality for Your Applications, and then only with express user consent and only if not otherwise prohibited in this Agreement.

1.4 You will not attempt to gain (or enable others to gain) unauthorized use or access to the Game Center service (or any part thereof) in any way, including but not limited to obtaining information from the Game Center service using any method not expressly permitted by Apple. For example, You may not use packet sniffers to intercept any communications protocols from systems or networks connected to the Game Center, scrape any data or user information from the Game Center, or use any third party software to collect information through the Game Center about players, game data, accounts, or service usage patterns.

2. Additional Restrictions

2.1 You agree not to harm or interfere with Apple's networks or servers, or any third party servers or networks connected to the Game Center service, or otherwise disrupt other developers' or end-users' use of the Game Center. You agree that, except for testing and development purposes, You will not create false accounts through the use of the Game Center service or otherwise use the Game Center service to misrepresent information about You or Your Application in a way that would interfere with an end-users' use of the Game Center service, e.g., creating inflated high scores through the use of cheat codes or falsifying the number of user accounts for Your Application.

2.2 You will not institute, assist, or enable any disruptions of the Game Center, such as through a denial of service attack, through the use of an automated process or service such as a spider, script, or bot, or through exploiting any bug in the Game Center service or Apple Software. You agree not to probe, test or scan for vulnerabilities in the Game Center service. You further agree not to disable, spoof, hack, undermine or otherwise interfere with any data protection, security, verification or authentication mechanisms that are incorporated in or used by the Game Center service, or enable others to do so.

2.3 You will not transmit, store or otherwise make available any material that contains viruses or any other computer code, files or programs that may harm, disrupt or limit the normal operation of the Game Center or an iOS Product.

2.4 You agree not to use any portion of the Game Center service for sending any unsolicited, improper or inappropriate messages to end-users or for the purpose of poaching, phishing or spamming of Game Center users. You will not reroute (or attempt to reroute) users of the Game Center to another service using any information You obtain through the use of the Game Center service.

2.5 You shall not charge any fees to end-users for access to the Game Center service or for any data or information provided therein.

2.6 To the extent that Apple permits You to manage certain Game Center features and functionality for Your Application through App Store Connect (e.g., the ability to block fraudulent users or eliminate suspicious leaderboard scores from Your Application's leaderboard), You agree to use such methods only when You have a reasonable belief that such users or scores are the result of misleading, fraudulent, improper, unlawful or dishonest acts.

3. Your Acknowledgements. You acknowledge and agree that:

3.1 Apple may at any time, and from time to time, with or without prior notice to You (a) modify the Game Center service, including changing or removing any feature or functionality, or (b) modify, deprecate, reissue or republish the Game Center APIs or related APIs. You understand that any such modifications may require You to change or update Your Applications at Your own cost. Apple has no express or implied obligation to provide, or continue to provide, the Game Center service and may suspend or discontinue all or any portion of the Game Center service at any time. Apple shall not be liable for any losses, damages or costs of any kind incurred by You or any other party arising out of or related to any such service suspension or discontinuation or any such modification of the Game Center service or Game Center APIs.

3.2 Apple makes no guarantees to You in relation to the availability or uptime of the Game Center service and is not obligated to provide any maintenance, technical or other support for such service. Apple reserves the right to remove Your access to the Game Center service at any time in its sole discretion. Apple may monitor and collect information (including but not limited to technical and diagnostic information) about Your usage of the Game Center service to aid Apple in improving the Game Center and other Apple products or services and to verify Your compliance with this Agreement.

4. Additional Liability Disclaimer. APPLE SHALL NOT BE LIABLE FOR ANY DAMAGES OR LOSSES ARISING FROM ANY INTERRUPTIONS TO THE GAME CENTER OR ANY SYSTEM FAILURES, NETWORK ATTACKS, SCHEDULED OR UNSCHEDULED MAINTENANCE, OR OTHER INTERRUPTIONS.

Attachment 4
(to the Agreement)

Additional Terms for the use of iCloud

The following terms are in addition to the terms of the Agreement and apply to Your use of the iCloud service for software development and testing in connection with Your Application, or Web Software.

1. Use of iCloud

1.1 Your Applications and/or Web Software may access the iCloud service only if You have been assigned an entitlement by Apple. You agree not to access the iCloud service, or any content, data or information contained therein, other than through the iCloud Storage APIs, CloudKit APIs or via the CloudKit console provided as part of the Program. You agree not to share Your entitlement with any third party or use it for any purposes not expressly permitted by Apple. You agree to use the iCloud service, the iCloud Storage APIs, and the CloudKit APIs only as expressly permitted by this Agreement and the iCloud Documentation, and in accordance with all applicable laws and regulations. Further, Your Web Software is permitted to access and use the iCloud service (e.g., to store the same type of data that is retrieved or updated in a Licensed Application) only so long as Your use of the iCloud service in such Web Software is comparable to Your use in the corresponding Licensed Application, as determined in Apple's sole discretion. In the event Apple Services permit You to use more than Your allotment of storage containers in iCloud in order to transfer data to another container for any reason, You agree to only use such additional container(s) for a reasonable limited time to perform such functions and not to increase storage and transactional allotments.

1.2 You understand that You will not be permitted to access or use the iCloud service for software development or testing after expiration or termination of Your Agreement; however end-users who have Your Applications or Web Software installed and who have a valid end-user account with Apple to use iCloud may continue to access their user-generated documents, private containers and files that You have chosen to store in such end-user's account via the iCloud Storage APIs or the CloudKit APIs in accordance with the applicable iCloud terms and conditions and these terms. You agree not to interfere with an end-user's ability to access iCloud (or the end-user's own user-generated documents, private containers and files) or to otherwise disrupt their use of iCloud in any way and at any time. With respect to data You store in public containers through the CloudKit APIs (whether generated by You or the end-user), Apple reserves the right to suspend access to or delete such data, in whole or in part, upon expiration or termination of Your Agreement, or as otherwise specified by Apple in the CloudKit console.

1.3 Your Application is permitted to use the iCloud Storage APIs only for the purpose of storage and retrieval of key value data (e.g., a list of stocks in a finance App, settings for an App) for Your Applications and Web Software and for purposes of enabling Your end-users to access user-generated documents and files through the iCloud service. Your Application or Web Software application is permitted to use the CloudKit APIs for storing, retrieving, and querying of structured data that You choose to store in public or private containers in accordance with the iCloud Documentation. You agree not to knowingly store any content or materials via the iCloud Storage APIs or CloudKit APIs that would cause Your Application to violate any of the iCloud terms and conditions or the Program Requirements for Your Applications (e.g., Your Application may not store illegal or infringing materials).

1.4 You may allow a user to access their user-generated documents and files from iCloud through the use of Your Applications as well as from Web Software. However, You may not share key value data from Your Application with other Applications or Web Software, unless You are sharing such data among different versions of the same title, or You have user consent.

1.5 You are responsible for any content and materials that You store in iCloud through the use of the CloudKit APIs and iCloud Storage APIs and must take reasonable and appropriate steps to protect information You store through the iCloud service. With respect to third party claims related to content and materials stored by Your end-users in Your Applications through the use of the iCloud Storage APIs or CloudKit APIs (e.g., user-generated documents, end-user posts in public containers), You agree to be responsible for properly handling and promptly processing any such claims, including but not limited to Your compliance with notices sent pursuant to the Digital Millennium Copyright Act (DMCA).

1.6 Unless otherwise expressly permitted by Apple in writing, You will not use iCloud, the iCloud Storage APIs, CloudKit APIs, or any component or function thereof, to create, receive, maintain or transmit any sensitive, individually-identifiable health information, including "protected health information" (as such term is defined at 45 C.F.R § 160.103), or use iCloud in any manner that would make Apple (or any Apple Subsidiary) Your or any third party's "business associate" as such term is defined at 45 C.F.R. § 160.103. You agree to be solely responsible for complying with any reporting requirements under law or contract arising from Your breach of this Section.

2. Additional Requirements

2.1 You understand there are storage capacity, transmission, and transactional limits for the iCloud service, both for You as a developer and for Your end-users. If You reach or Your end-user reaches such limits, then You or Your end-user may be unable to use the iCloud service until You or Your end-user have removed enough data from the service to meet the capacity limits, increased storage capacity or otherwise modified Your usage of iCloud, and You or Your end-user may be unable to access or retrieve data from iCloud during this time.

2.2 You may not charge any fees to users for access to or use of the iCloud service through Your Applications or Web Software, and You agree not to sell access to the iCloud service in any other way, including but not limited to reselling any part of the service. You will only use the iCloud service in Your Application or Web Software to provide storage for an end-user who has a valid end-user iCloud account with Apple and only for use in accordance with the terms of such user account, except that You may use the CloudKit APIs to store of data in public containers for access by end-users regardless of whether such users have iCloud accounts. You will not induce any end-user to violate the terms of their applicable iCloud service agreement with Apple or to violate any Apple usage policies for data or information stored in the iCloud service.

2.3 You may not excessively use the overall network capacity or bandwidth of the iCloud service or otherwise burden such service with unreasonable data loads or queries. You agree not to harm or interfere with Apple's networks or servers, or any third party servers or networks connected to the iCloud, or otherwise disrupt other developers' or users' use of the iCloud service.

2.4 You will not disable or interfere with any warnings, system settings, notices, or notifications that are presented to an end-user of the iCloud service by Apple.

3. Your Acknowledgements

You acknowledge and agree that:

3.1 Apple may at any time, with or without prior notice to You (a) modify the iCloud Storage APIs or the CloudKit APIs, including changing or removing any feature or functionality, or (b) modify, deprecate, reissue or republish such APIs. You understand that any such modifications may require You to change or update Your Applications or Web Software at Your own cost. Apple has no express or implied obligation to provide, or continue to provide, the iCloud service and may suspend or discontinue all or any portion of the iCloud service at any time. Apple shall not be liable for any losses, damages or costs of any kind incurred by You or any other party arising out of or related to any such service suspension or discontinuation or any such modification of the iCloud service, iCloud Storage APIs or the CloudKit APIs.

3.2 The iCloud service is not available in all languages or in all countries and Apple makes no representation that the iCloud service is appropriate or available for use in any particular location. To the extent You choose to provide access to the iCloud service in Your Applications or Web Software through the iCloud Storage APIs or CloudKit APIs (e.g., to store data in a public or private container), You do so at Your own initiative and are responsible for compliance with any applicable laws or regulations.

3.3 Apple makes no guarantees to You in relation to the availability or uptime of the iCloud service and is not obligated to provide any maintenance, technical or other support for the iCloud service. Apple is not responsible for any expenditures, investments, or commitments made by You in connection with the iCloud service, or for any use of or access to the iCloud service.

3.4 Apple reserves the right to suspend or revoke Your access to the iCloud service or impose limits on Your use of the iCloud service at any time in Apple's sole discretion. In addition, Apple may impose or adjust the limit of transactions Your Applications or Web Software may send or receive through the iCloud service or the resources or capacity that they may use at any time in Apple's sole discretion.

3.5 Apple may monitor and collect information (including but not limited to technical and diagnostic information) about usage of the iCloud service through the iCloud Storage APIs, CloudKit APIs, or CloudKit console, in order to aid Apple in improving the iCloud service and other Apple products or services; provided however that Apple will not access or disclose any end-user data stored in a private container through CloudKit, any Application data stored in a public container through CloudKit, or any user-generated documents, files or key value data stored using the iCloud Storage APIs and iCloud service, unless Apple has a good faith belief that such access, use, preservation or disclosure is reasonably necessary to comply with a legal or regulatory process or request, or unless otherwise requested by an end-user with respect to data stored via the iCloud Storage APIs in that end-user's iCloud account or in that end-user's private container via the CloudKit APIs.

3.6 Further, to the extent that You store any personal information relating to an individual or any information from which an individual can be identified (collectively, "Personal Data") in the iCloud service through the use of the iCloud Storage APIs or CloudKit APIs, You agree that Apple (and any applicable Apple Subsidiary for purposes of this Section 3.6) will act as Your agent for the processing, storage and handling of any such Personal Data. Apple agrees to ensure that any persons authorized to process such Personal Data have agreed to maintain confidentiality (whether through terms or under an appropriate statutory obligation). Apple shall have no right, title or interest in such Personal Data solely as a result of Your use of the iCloud service. You agree that You are solely liable and responsible for

ensuring Your compliance with all applicable laws, including privacy and data protection laws, regarding the use or collection of data and information through the iCloud service. You are also responsible for all activity related to such Personal Data, including but not limited to, monitoring such data and activity, preventing and addressing inappropriate data and activity, and removing and terminating access to data. Further, You are responsible for safeguarding and limiting access to such Personal Data by Your personnel and for the actions of Your personnel who are permitted access to use the iCloud service on Your behalf. Personal Data provided by You and Your users to Apple through the iCloud service may be used by Apple only as necessary to provide and improve the iCloud service and to perform the following actions on Your behalf. Apple shall:

(a) use and handle such Personal Data only in accordance with the instructions and permissions from You set forth herein, as well as applicable laws, regulations, accords, or treaties. In the EEA and Switzerland, Personal Data will be handled by Apple only in accordance with the instructions and permissions from You set forth herein unless otherwise required by European Union or Member State Law, in which case Apple will notify You of such other legal requirement (except in limited cases where Apple is prohibited by law from doing so);

(b) provide You with reasonable means to manage any user access, deletion, or restriction requests as defined in applicable law. In the event of an investigation of You arising from Your good faith use of the iCloud service by a data protection regulator or similar authority regarding such Personal Data, Apple shall provide You with reasonable assistance and support;

(c) notify You by any reasonable means Apple selects, without undue delay and taking account of applicable legal requirements applying to You which mandate notification within a specific timeframe, if Apple becomes aware that Your Personal Data has been altered, deleted or lost as a result of any unauthorized access to the Service. You are responsible for providing Apple with Your updated contact information for such notification purposes in accordance with the terms of this Agreement;

(d) make available to You the information necessary to demonstrate compliance obligations set forth in Article 28 of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 (GDPR) and to allow for and contribute to audits required under these provisions; provided however that You agree that Apple's ISO 27001 and 27018 certifications shall be considered sufficient for such required audit purposes;

(e) assist You, by any reasonable means Apple selects, in ensuring compliance with its obligations pursuant to Articles 33 to 36 of the GDPR. If Apple receives a third party request for information You have stored in the iCloud service, then unless otherwise required by law or the terms of such request, Apple will notify You of its receipt of the request and notify the requester of the requirement to address such request to You. Unless otherwise required by law or the request, You will be responsible for responding to the request;

(f) use industry-standard measures to safeguard Personal Data during the transfer, processing and storage of Personal Data. Encrypted Personal Data may be stored at Apple's geographic discretion; and

(g) ensure that where Personal Data, arising in the context of this Agreement, is transferred from the EEA or Switzerland it is only to a third country that ensures an adequate level of protection or using the Model Contract Clauses/Swiss Transborder Data Flow Agreement which will be provided to You upon request if you believe that Personal Data is being transferred.

4. Additional Liability Disclaimer. NEITHER APPLE NOR ITS SERVICE PROVIDERS SHALL BE LIABLE FOR ANY DAMAGES OR LOSSES ARISING FROM ANY USE, MISUSE, RELIANCE ON, INABILITY TO USE, INTERRUPTION, SUSPENSION OR TERMINATION OF iCLOUD, iCLOUD STORAGE APIS, OR CLOUDKIT APIS, OR FOR ANY UNAUTHORIZED ACCESS TO, ALTERATION OF, OR DELETION, DESTRUCTION, DAMAGE, LOSS OR FAILURE TO STORE ANY OF YOUR DATA OR ANY END-USER DATA OR ANY CLAIMS ARISING FROM ANY USE OF THE FOREGOING BY YOUR END-USERS, INCLUDING ANY CLAIMS REGARDING DATA PROCESSING OR INAPPROPRIATE OR UNAUTHORIZED DATA STORAGE OR HANDLING BY YOU IN VIOLATION OF THIS AGREEMENT.

Attachment 5
(to the Agreement)

Additional Terms for Passes

The following terms are in addition to the terms of the Agreement and apply to Your development and distribution of Passes:

1. Pass Type ID Usage and Restrictions

You may use the Pass Type ID only for purposes of digitally signing Your Pass for use with Wallet and/or for purposes of using the APN service with Your Pass. You may distribute Your Pass Type ID as incorporated into Your Pass in accordance with **Section 2** below only so long as such distribution is under Your own trademark or brand. To the extent that You reference a third party's trademark or brand within Your Pass (e.g., a store coupon for a particular good), You represent and warrant that You have any necessary rights. You agree not to share, provide or transfer Your Pass Type ID to any third party (except for a Service Provider and only to the limited extent permitted herein), nor use Your Pass Type ID to sign a third party's pass.

2. Pass Distribution; Marketing Permissions

2.1 Subject to the terms of this Agreement, You may distribute Your Passes to end-users by the web, email, or an Application. You understand that Passes must be accepted by such users before they will be loaded into Wallet and that Passes can be removed or transferred by such users at any time.

2.2 By distributing Your Passes in this manner, You represent and warrant to Apple that Your Passes comply with the Documentation and Program Requirements then in effect and the terms of this Attachment 5. Apple shall not be responsible for any costs, expenses, damages, losses (including without limitation lost business opportunities or lost profits) or other liabilities You may incur as a result of distributing Your Passes in this manner.

2.3 You agree to state on the Pass Your name and address, and the contact information (telephone number; email address) to which any end-user questions, complaints, or claims with respect to Your Pass should be directed. You will be responsible for attaching or otherwise including, at Your discretion, any relevant end-user usage terms with Your Pass. Apple will not be responsible for any violations of Your end-user usage terms. You will be solely responsible for all user assistance, warranty and support of Your Pass. You may not charge any fees to end-users in order to use Wallet to access Your Pass.

2.4 By distributing Your Passes as permitted in this Agreement, You hereby permit Apple to use (i) screenshots of Your Pass; (ii) trademarks and logos associated with Your Pass; and (iii) Pass Information, for promotional purposes in marketing materials and gift cards, excluding those portions which You do not have the right to use for promotional purposes and which You identify in writing to Apple. You also permit Apple to use images and other materials that You may provide to Apple, at Apple's reasonable request, for promotional purposes in marketing materials and gift cards.

3. Additional Pass Requirements

3.1 Apple may provide You with templates to use in creating Your Passes, and You agree to choose the relevant template for Your applicable use (e.g., You will not use the boarding pass template for a movie ticket).

3.2 Passes may only operate and be displayed in Wallet, which is Apple's designated container area for the Pass, through Wallet on the lock screen of a compatible Apple-branded product in accordance with the Documentation.

3.3 Notwithstanding anything else in **Section 3.3.9** of the Agreement, with prior user consent, You and Your Pass may share user and/or device data with Your Application so long as such sharing is for the purpose of providing a service or function that is directly relevant to the use of the Pass and/or Application, or to serve advertising in accordance with **Sections 3.3.12** of the Agreement.

3.4 If You would like to use embedded Near Field Communication (NFC) technology with Your Pass, then You may request an Apple Certificate for the use of NFC with a Pass from the Developer web portal. Apple will review Your request and may provide You with a separate agreement for the use of such Apple Certificate. Apple reserves the right to not provide You with such Apple Certificate.

4. Apple's Right to Review Your Pass; Revocation. You understand and agree that Apple reserves the right to review and approve or reject any Pass that You would like to distribute for use by Your end-users, or that is already in use by Your end-users, at any time during the Term of this Agreement. If requested by Apple, You agree to promptly provide such Pass to Apple. You agree not to attempt to hide, misrepresent, mislead, or obscure any features, content, services or functionality in Your Pass from Apple's review or otherwise hinder Apple from being able to fully review such Pass, and, You agree to cooperate with Apple and answer questions and provide information and materials reasonably requested by Apple regarding such Pass. If You make any changes to Your Pass after submission to Apple, You agree to notify Apple and, if requested by Apple, resubmit Your Pass prior to any distribution of the modified Pass to Your end-users. Apple reserves the right to revoke Your Pass Type ID and reject Your Pass for distribution to Your end-users for any reason and at any time in its sole discretion, even if Your Pass meets the Documentation and Program Requirements and terms of this Attachment 5; and, in that event, You agree that You may not distribute such Pass to Your end-users.

5. Additional Liability Disclaimer. APPLE SHALL NOT BE LIABLE FOR ANY DAMAGES OR LOSSES ARISING FROM ANY USE, DISTRIBUTION, MISUSE, RELIANCE ON, INABILITY TO USE, INTERRUPTION, SUSPENSION, OR TERMINATION OF WALLET, YOUR PASS TYPE ID, YOUR PASSES, OR ANY SERVICES PROVIDED IN CONNECTION THEREWITH, INCLUDING BUT NOT LIMITED TO ANY LOSS OR FAILURE TO DISPLAY YOUR PASS IN WALLET OR ANY END-USER CLAIMS ARISING FROM ANY USE OF THE FOREGOING BY YOUR END-USERS.

Attachment 6
(to the Agreement)

Additional Terms for the use of the Apple Maps Service

The following terms are in addition to the terms of the Agreement and apply to any use of the Apple Maps Service in Your Application, website, or web application.

1. Use of the Maps Service

1.1 Your Application may access the Apple Maps Service only via the MapKit API or through MapKit JS, and Your website or web application may access the Apple Maps Service only via MapKit JS. You agree not to access the Apple Maps Service or the Map Data other than through the MapKit API or MapKit JS, as applicable, and You agree that Your use of the Apple Maps Service in Your Applications, websites, or web applications must comply with the Program Requirements.

1.2 You will use the Apple Maps Service and Map Data only as necessary for providing services and functionality for Your Application, website, or web application. You agree to use the Apple Maps Service, MapKit API and MapKit JS only as expressly permitted by this Agreement (including but not limited to this Attachment 6) and the MapKit and MapKit JS Documentation, and in accordance with all applicable laws and regulations. MapKit JS may not be used in Your website and/or application running on non-Apple hardware for the following commercial purposes: fleet management (including dispatch), asset tracking, enterprise route optimization, or where the primary purpose of such website and/or application is to assess vehicle insurance risk.

1.3 You acknowledge and agree that results You receive from the Apple Maps Service may vary from actual conditions due to variable factors that can affect the accuracy of the Map Data, such as weather, road and traffic conditions, and geopolitical events.

2. Additional Restrictions

2.1 Neither You nor Your Application, website or web application may remove, obscure or alter Apple's or its licensors' copyright notices, trademarks, logos, or any other proprietary rights or legal notices, documents or hyperlinks that may appear in or be provided through the Apple Maps Service.

2.2 You will not use the Apple Maps Service in any manner that enables or permits bulk downloads or feeds of the Map Data, or any portion thereof, or that in any way attempts to extract, scrape or reutilize any portions of the Map Data. For example, neither You nor Your Application may use or make available the Map Data, or any portion thereof, as part of any secondary or derived database.

2.3 Except to the extent expressly permitted herein, You agree not to copy, modify, translate, create a derivative work of, publish or publicly display the Map Data in any way. Further, You may not use or compare the data provided by the Apple Maps Service for the purpose of improving or creating another mapping service. You agree not to create or attempt to create a substitute or similar service through use of or access to the Apple Maps Service.

2.4 Your Application, website, or web application may display the Map Data only as permitted herein, and when displaying it on a map, You agree that it will be displayed only on an Apple map provided through the Apple Maps Service. Further, You may not surface Map Data within Your Application, website, or web application without displaying the corresponding Apple map (e.g., if You surface an address result through the Apple Maps Service, You must display the corresponding map with the address result).

2.5 Unless otherwise expressly permitted in the MapKit Documentation or MapKit JS Documentation, Map Data may not be cached, pre-fetched, or stored by You or Your Application, website, or web application other than on a temporary and limited basis solely to improve the performance of the Apple Maps Service with Your Application, website, or web application.

2.6 You may not charge any fees to end-users solely for access to or use of the Apple Maps Service through Your Application, website, or web application, and You agree not to sell access to the Apple Maps Service in any other way.

2.7 You acknowledge and agree that Apple may impose restrictions on Your usage of the Apple Maps Service (e.g., limiting the number of transactions Your Application can make through the MapKit API) or may revoke or remove Your access to the Apple Maps Service (or any part thereof) at any time in its sole discretion. Further, You acknowledge and agree that results You may receive from the Apple Maps Service may vary from actual conditions due to variable factors that can affect the accuracy of Map Data, such as road or weather conditions.

3. Your Acknowledgements. You acknowledge and agree that:

3.1 Apple may at any time, with or without prior notice to You (a) modify the Apple Maps Service and/or the MapKit API or MapKit JS, including changing or removing any feature or functionality, or (b) modify, deprecate, reissue or republish the MapKit API or MapKit JS. You understand that any such modifications may require You to change or update Your Applications, website, or web applications at Your own cost. Apple has no express or implied obligation to provide, or continue to provide, the Apple Maps Service and may suspend or discontinue all or any portion of the Apple Maps Service at any time. Apple shall not be liable for any losses, damages or costs of any kind incurred by You or any other party arising out of or related to any such service suspension or discontinuation or any such modification of the Apple Maps Service, MapKit API, or MapKit JS.

3.2 The Apple Maps Service may not be available in all countries or languages, and Apple makes no representation that the Apple Maps Service is appropriate or available for use in any particular location. To the extent You choose to provide access to the Apple Maps Service in Your Applications, website, or web applications or through the MapKit API or MapKit JS, You do so at Your own initiative and are responsible for compliance with any applicable laws.

4. Apple's Right to Review Your MapKit JS Implementation. You understand and agree that Apple reserves the right to review and approve or reject Your implementation of MapKit JS in Your Application, website, or web applications, at any time during the Term of this Agreement. If requested by Apple, You agree to promptly provide information regarding Your implementation of MapKit JS to Apple. You agree to cooperate with Apple and answer questions and provide information and materials reasonably requested by Apple regarding such implementation. Apple reserves the right to revoke Your MapKit JS keys and similar credentials at any time in its sole discretion, even if Your use of MapKit JS

meets the Documentation and Program Requirements and terms of this Attachment. By way of example only, Apple may do so if Your MapKit JS implementation places an excessive and undue burden on the Apple Maps Service, obscures or removes the Apple Maps logo or embedded links when displaying a map, or uses the Apple Maps Service with corresponding offensive or illegal map content.

5. Additional Liability Disclaimer. NEITHER APPLE NOR ITS LICENSORS OR SERVICE PROVIDERS SHALL BE LIABLE FOR ANY DAMAGES OR LOSSES ARISING FROM ANY USE, MISUSE, RELIANCE ON, INABILITY TO USE, INTERRUPTION, SUSPENSION OR TERMINATION OF THE APPLE MAPS SERVICE, INCLUDING ANY INTERRUPTIONS DUE TO SYSTEM FAILURES, NETWORK ATTACKS, OR SCHEDULED OR UNSCHEDULED MAINTENANCE.

Attachment 7
(to the Agreement)

Additional Terms for Safari Extensions

The following terms are in addition to the terms of the Agreement and apply to Safari Extensions signed with an Apple Certificate:

1.1 Safari Extension Requirements

If You would like to distribute Your Safari Extension signed with an Apple Certificate, then You agree to abide by the following requirements for such Safari Extensions, as they may be modified by Apple from time to time:

- Your Safari Extension must not contain any malware, malicious or harmful code, or other internal component (e.g. computer viruses, trojan horses, "backdoors"), which could damage, destroy, or adversely affect Apple hardware, software or services, or other third party software, firmware, hardware, data, systems, services, or networks;
- Your Safari Extensions must not be designed or marketed for the purpose of harassing, abusing, stalking, spamming, misleading, defrauding, threatening or otherwise violating the legal rights (such as the rights of privacy and publicity) of others. Further, You may not create a Safari Extension that tracks the behavior of a user (e.g., their browsing sites) without their express consent;
- Your Safari Extension must only operate in the designated container area for the Safari Extension, and must not disable, override or otherwise interfere with any Apple-implemented system alerts, warnings, display panels, consent panels and the like;
- Your Safari Extension must have a single purpose and updates must not change the single purpose of Your Safari Extension. You agree to accurately represent the features and functionality of Your Safari Extension to the user and to act in accordance with such representations. For example, You must not redirect user searches to a different search provider than the one previously selected by the user in Safari without their express consent. In addition, Your Safari Extension may not redirect a link (or any affiliate link) on a website unless that behavior is disclosed to the user. You agree not to conceal the features or functionality of Your Safari Extension (e.g., containing obfuscated code);
- Your Safari Extension must not be bundled with an app that has a different purpose than the Safari Extension. Your Safari Extension must not inject ads into a website and may not display pop up ads. You must not script or automate turning on Your Safari Extension or enable others to do so; and
- Safari Extensions must not interfere with security, user interface, user experience, features or functionality of Safari, macOS, iOS, or other Apple-branded products.

1.2 Compliance; Certificates. Your Safari Extensions must comply with the Documentation and all applicable laws and regulations, including those in any jurisdictions in which such Safari Extensions may be offered or made available. You understand that Apple may revoke the Apple Certificates used to sign Your Safari Extensions at any time, in its sole discretion. Further, You acknowledge and agree that Apple may block Your Safari Extension (such that it may be unavailable or inaccessible to Safari users) if it does not comply with the requirements set forth above in this Section 1.1 or otherwise adversely affects users of Safari or Apple-branded products.

Schedule 1

1. Appointment of Agent

1.1 You hereby appoint Apple and Apple Subsidiaries (collectively "Apple") as: (i) Your agent for the marketing and delivery of the Licensed Applications to end-users located in those regions listed on Exhibit A, Section 1 to this Schedule 1, subject to change; and (ii) Your commissionaire for the marketing and delivery of the Licensed Applications to end-users located in those regions listed on Exhibit A, Section 2 to this Schedule 1, subject to change, during the Delivery Period. The most current list of App Store regions among which You may select shall be set forth in the App Store Connect tool and the Custom App Distribution Site and may be updated by Apple from time to time. You hereby acknowledge that Apple will market and make the Licensed Applications available for download by end-users, through one or more App Stores or the Custom App Distribution Site, for You and on Your behalf. For purposes of this Schedule 1, the following terms apply:

"Custom App" or "Custom Application" means a Licensed Application custom developed by You for use by specific organizations or third-party business customers, including proprietary Licensed Applications developed for Your organization's internal use.

(a) "You" shall include App Store Connect users authorized by You to submit Licensed Applications and associated metadata on Your behalf; and

(b) "end-user" includes individual purchasers as well as eligible users associated with their account via Family Sharing or Legacy Contacts. For institutional customers, "end-user" shall mean the individual authorized to use the Licensed Application, the institutional administrator responsible for management of installations on shared devices, as well as authorized institutional purchasers themselves, including educational institutions approved by Apple, which may acquire the Licensed Applications for use by their employees, agents, and affiliates.

(c) For the purposes of this Schedule 1, the term "Licensed Application" shall include any content, functionality, extensions, stickers, or services offered in the software application.

"Volume Content Service" means an Apple service that offers the ability to obtain Custom Applications and make purchases of Licensed Applications in bulk subject to the Volume Content Terms, conditions, and requirements.

1.2 In furtherance of Apple's appointment under Section 1.1 of this Schedule 1, You hereby authorize and instruct Apple to:

(a) market, solicit and obtain orders on Your behalf for Licensed Applications from end-users located in the regions identified by You in the App Store Connect tool;

(b) provide hosting services to You subject to the terms of the Agreement, in order to allow for the storage of, and end-user access to, the Licensed Applications and to enable third party hosting of such Licensed Applications solely as otherwise licensed or authorized by Apple;

(c) make copies of, format, and otherwise prepare Licensed Applications for acquisition and download by end-users, including adding the Security Solution and other optimizations identified in the Agreement;

(d) allow or, in the case of cross-border assignments of certain purchases, arrange for end-users to access and re-access copies of the Licensed Applications, so that end-users may acquire from You and electronically download those Licensed Applications, Licensed Application Information, and associated metadata through one or more App Stores or the Custom App Distribution Site. In addition, You hereby authorize distribution of Your Licensed Applications under this Schedule 1 for use by: (i) end-users with accounts associated with another end-user's account via Family Sharing; (ii) eligible Legacy Contacts of an end-user to access Your Licensed Application along with associated information and metadata stored in iCloud as described in https://support.apple.com/kb/HT212360; (iii) multiple end users under a single Apple ID when the Licensed Application is provided to such end-users through Apple Configurator in accordance with the Apple Configurator software license agreement; and (iv) a single institutional customer via Custom App Distribution for use by its end-users and/or for installation on devices with no associated Apple IDs that are owned or controlled by that institutional customer in accordance with the Volume Content Terms, conditions, and program requirements;

(e) use (i) screenshots, previews, and/or up to 30 second excerpts of the Licensed Applications; (ii) trademarks and logos associated with the Licensed Applications; and (iii) Licensed Application Information, for promotional purposes in marketing materials and gift cards and in connection with vehicle displays, excluding those portions of the Licensed Applications, trademarks or logos, or Licensed Application Information which You do not have the right to use for promotional purposes, and which You identify in writing at the time that the Licensed Applications are delivered by You to Apple under Section 2.1 of this Schedule 1, and use images and other materials that You may provide to Apple, at Apple's reasonable request, for promotional purposes in marketing materials and gift cards and in connection with vehicle displays. In addition, and subject to the limitation set forth above, You agree that Apple may use screenshots, icons, and up to 30 second excerpts of Your Licensed Applications for use at Apple Developer events (e.g., WWDC, Tech Talks) and in developer documentation;

(f) otherwise use Licensed Applications, Licensed Application Information and associated metadata as may be reasonably necessary in the marketing and delivery of the Licensed Applications in accordance with this Schedule 1. You agree that no royalty or other compensation is payable for the rights described above in Section 1.2 of this Schedule 1; and

(g) facilitate distribution of pre-release versions of Your Licensed Applications ("Beta Testing") to end-users designated by You in accordance with the Agreement, availability, and other program requirements as updated from time to time in the App Store Connect tool. For the purposes of such Beta Testing, You hereby waive any right to collect any purchase price, proceeds or other remuneration for the distribution and download of such pre-release versions of Your Licensed Application. You further agree that You shall remain responsible for the payment of any royalties or other payments to third parties relating to the distribution and user of Your pre-release Licensed Applications, as well as compliance with any and all laws for territories in which such Beta Testing takes place. For the sake of clarity, no commission shall be owed to Apple with respect to such distribution.

1.3 The parties acknowledge and agree that their relationship under this Schedule 1 is, and shall be, that of principal and agent, or principal and commissionaire, as the case may be, as described in Exhibit A, Section 1 and Exhibit A, Section 2 respectively, and that You, as principal, are, and shall be, solely responsible for any and all claims and liabilities involving or relating to, the Licensed Applications, as provided in this Schedule 1. The parties acknowledge and agree that Your appointment of Apple as Your agent or commissionaire, as the case may be, under this Schedule 1 is non-exclusive. You hereby represent and warrant that You own or control the necessary rights in order to appoint Apple and Apple Subsidiaries as Your worldwide agent and/or commissionaire for the delivery of Your Licensed Applications, and that the fulfillment of such appointment by Apple and Apple Subsidiaries shall not violate or infringe the rights of any third party.

1.4 For purposes of this Schedule 1, the "Delivery Period" shall mean the period beginning on the Effective Date of the Agreement, and expiring on the last day of the Agreement or any renewal thereof; provided, however, that Apple's appointment as Your agent shall survive expiration of the Agreement for a reasonable phase-out period not to exceed thirty (30) days and further provided that, solely with respect to Your end-users, subsections 1.2(b), (c), and (d) of this Schedule 1 shall survive termination or expiration of the Agreement unless You indicate otherwise pursuant to sections 4.1 and 6.2 of this Schedule 1.

1.5 All of the Licensed Applications delivered by You to Apple under Section 2.1 of this Schedule 1 shall be made available by Apple for download by end-users at no charge. Apple shall have no duty to collect any fees for the Licensed Applications for any end-user and shall have no payment obligation to You with respect to any of those Licensed Applications under this Schedule 1. In the event that You intend to charge end-users a fee for any Licensed Application or In-App Purchase, You must enter (or have previously entered) into a separate extension of this agreement (Schedule 2) with Apple with respect to that Licensed Application. In the event that You intend to charge end-users a fee for any Custom Apps, You must enter (or have previously entered) into a separate extension of this agreement (Schedule 3) with Apple with respect to that Custom App.

2. Delivery of the Licensed Applications to Apple

2.1 You will deliver to Apple, at Your sole expense, using the App Store Connect tool or other mechanism provided by Apple, the Licensed Applications, Licensed Application Information and associated metadata, in a format and manner prescribed by Apple, as required for the delivery of the Licensed Applications to end-users in accordance with this Schedule 1. Metadata You deliver to Apple under this Schedule 1 will include: (i) the title and version number of each of the Licensed Applications; (ii) the regions You designate, in which You wish Apple to allow end-users to download those Licensed Applications; (iii) the end-users You designate as authorized downloaders of the Custom App; (iv) any copyright or other intellectual property rights notices; (v) Your privacy policy; (vi) Your end-user license agreement ("EULA"), if any, in accordance with Section 3.2 of this Schedule 1; and (vii) any additional metadata set forth in the Documentation and/or the App Store Connect Tool as may be updated from time to time, including metadata designed to enhance search and discovery for content on Apple-branded hardware.

2.2 All Licensed Applications will be delivered by You to Apple using software tools, a secure FTP site address and/or such other delivery methods as prescribed by Apple.

2.3 You hereby certify that all of the Licensed Applications You deliver to Apple under this Schedule 1 are authorized for export from the United States to each of the regions designated by You under Section 2.1 hereof, in accordance with the requirements of all applicable laws, including but not limited to the United States Export Administration Regulations, 15 C.F.R. Parts 730-774. You further represent and warrant that all versions of the Licensed Applications You deliver to Apple are not subject to the International Traffic in Arms Regulations 22 C.F.R. Parts 120-130 and are not designed, made, modified or configured for any military end users or end uses as defined and scoped in 15 C.F.R § 744. Without limiting the generality of this Section 2.3, You certify that (i) none of the Licensed Applications contains, uses or supports any data encryption or cryptographic functions; or (ii) in the event that any Licensed Application contains, uses or supports any such data encryption or cryptographic functionality, You certify that You have complied with the United States Export Administration Regulations, and are in possession of, and will, upon request, provide Apple with PDF copies of export classification ruling (CCATS) issued by the United States Commerce Department, Bureau of Industry and Security ("BIS") or any self-classification reports submitted to the BIS, and appropriate authorizations from other regions that mandate import authorizations for that Licensed Application, as required. You acknowledge that Apple is relying upon Your certification in this Section 2.3 in allowing end-users to access and download the Licensed Applications under this Schedule 1. Except as provided in this Section 2.3, Apple will be responsible for compliance with the requirements of the Export Administration Regulations in allowing end-users to access and download the Licensed Applications under this Schedule 1.

2.4 You shall be responsible for determining and implementing any age ratings or parental advisory warnings required by the applicable government regulations, ratings board(s), service(s), or other organizations (each a "Ratings Board") for any video, television, gaming or other content offered in Your Licensed Application for each locality in the Territory. Where applicable, you shall also be responsible for providing any content restriction tools or age verification functionality before enabling end-users to access mature or otherwise regulated content within Your Licensed Application.

3. Ownership and End-User Licensing and Delivery of the Licensed Applications to End Users

3.1 You acknowledge and agree that Apple, in the course of acting as agent and/or commissionaire for You, is hosting, or pursuant to Section 1.2(b) of this Schedule 1 may enable authorized third parties to host, the Licensed Application(s), and is allowing the download of those Licensed Application(s) by end-users, on Your behalf. However, You are responsible for hosting and delivering content or services sold or delivered by You using the In-App Purchase API, except for content that is included within the Licensed Application itself (i.e., the In-App Purchase simply unlocks the content) or content hosted by Apple pursuant to Section 3.3 of Attachment 2 of the Agreement. The parties acknowledge and agree that Apple shall not acquire any ownership interest in or to any of the Licensed Applications or Licensed Applications Information, and title, risk of loss, responsibility for, and control over the Licensed Applications shall, at all times, remain with You. Apple may not use any of the Licensed Applications or Licensed Application Information for any purpose, or in any manner, except as specifically authorized in the Agreement or this Schedule 1.

3.2 You may deliver to Apple Your own EULA for any Licensed Application at the time that You deliver that Licensed Application to Apple, in accordance with Section 2.1 of this Schedule 1; provided, however, that Your EULA must include and may not be inconsistent with the minimum terms and conditions specified on Exhibit B to this Schedule 1 and must comply with all applicable laws in all regions where You wish Apple to allow end-users to download that Licensed Application. Apple shall enable each end-user to review Your EULA (if any) at the time that Apple delivers that Licensed Application to

that end-user, and Apple shall notify each end-user that the end-user's use of that Licensed Application is subject to the terms and conditions of Your EULA (if any). In the event that You do not furnish Your own EULA for any Licensed Application to Apple, You acknowledge and agree that each end-user's use of that Licensed Application shall be subject to Apple's standard EULA (which is part of the App Store Terms of Service).

3.3 You hereby acknowledge that the EULA for each of the Licensed Applications is solely between You and the end-user and conforms to applicable law, and Apple shall not be responsible for, and shall not have any liability whatsoever under, any EULA or any breach by You or any end-user of any of the terms and conditions of any EULA.

3.4 A Licensed Application may read or play content (magazines, newspapers, books, audio, music, video) that is offered outside of the Licensed Application (such as, by way of example, through Your website) provided that You do not link to or market external offers for such content within the Licensed Application. You are responsible for authentication access to content acquired outside of the Licensed Application.

3.5 To the extent You promote and offer in-app subscriptions, You must do so in compliance with all legal and regulatory requirements.

3.6 If Your Licensed Application is periodical content-based (e.g., magazines and newspapers), Apple may provide You with the name, email address, and zip code associated with an end-user's account when they request an auto-renewing subscription via the In-App Purchase API, provided that such user consents to the provision of data to You, and further provided that You may only use such data to promote Your own products and do so in strict compliance with Your publicly posted Privacy Policy, a copy of which must be readily viewed and is consented to in Your Licensed Application.

4. Content Restrictions and Software Rating

4.1 You represent and warrant that: (a) You have the right to enter into this Agreement, to reproduce and distribute each of the Licensed Applications, and to authorize Apple to permit end-users to download and use each of the Licensed Applications through one or more App Stores or the Custom App Distribution Site; (b) none of the Licensed Applications, or Apple's or end-users' permitted uses of those Licensed Applications, violate or infringe any patent, copyright, trademark, trade secret or other intellectual property or contractual rights of any other person, firm, corporation or other entity and that You are not submitting the Licensed Applications to Apple on behalf of one or more third parties; (c) none of the Custom Apps, or Apple's or end-users' permitted uses of those Custom Apps, violate or infringe any patent, copyright, trademark, trade secret or other intellectual property or contractual rights of any other person, firm, corporation or other entity and that You are not submitting the Custom Apps to Apple on behalf of one or more third parties other than under license grant from one or more third parties subject to Apple's Volume Content Terms and/or Custom App Distribution; (d) each of the Licensed Applications is authorized for distribution, sale and use in, export to, and import into each of the regions designated by You under Section 2.1 of this Schedule 1, in accordance with the laws and regulations of those regions and all applicable export/import regulations; (e) none of the Licensed Applications contains any obscene, offensive or other materials that are prohibited or restricted under the laws or regulations of any of the regions You designate under Section 2.1 of this Schedule 1; (f) all information You provide using the App Store Connect tool, including any information relating to the Licensed Applications, is accurate and that, if

any such information ceases to be accurate, You will promptly update it to be accurate using the App Store Connect tool; and (g) in the event a dispute arises over the content of Your Licensed Applications or use of Your intellectual property on the App Store or the Custom App Distribution Site, You agree to permit Apple to share Your contact information with the party filing such dispute and to follow Apple's app dispute process on a non-exclusive basis and without any party waiving its legal rights.

4.2 You shall use the software rating tool set forth on App Store Connect to supply information regarding each of the Licensed Applications delivered by You for marketing and fulfillment by Apple through the App Store or the Custom App Distribution Site under this Schedule 1 in order to assign a rating to each such Licensed Application. For purposes of assigning a rating to each of the Licensed Applications, You shall use Your best efforts to provide correct and complete information about the content of that Licensed Application with the software rating tool. You acknowledge and agree that Apple is relying on: (i) Your good faith and diligence in accurately and completely providing the requested information for each Licensed Application; and (ii) Your representations and warranties in Section 4.1 hereof, in making that Licensed Application available for download by end-users in each of the regions You designate hereunder. Furthermore, You authorize Apple to correct the rating of any Licensed Application of Yours that has been assigned an incorrect rating; and You agree to any such corrected rating.

4.3 In the event that any region You designate hereunder requires the approval of, or rating of, any Licensed Application by any government or industry regulatory agency as a condition for the distribution and/or use of that Licensed Application, You acknowledge and agree that Apple may elect not to make that Licensed Application available for download by end-users in that region from any App Stores or the Custom App Distribution Site.

5. Responsibility and Liability

5.1 Apple shall have no responsibility for the installation and/or use of any of the Licensed Applications by any end-user. You shall be solely responsible for any and all product warranties, end-user assistance and product support with respect to each of the Licensed Applications.

5.2 You shall be solely responsible for, and Apple shall have no responsibility or liability whatsoever with respect to, any and all claims, suits, liabilities, losses, damages, costs and expenses arising from, or attributable to, the Licensed Applications and/or the use of those Licensed Applications by any end-user, including, but not limited to: (i) claims of breach of warranty, whether specified in the EULA or established under applicable law; (ii) product liability claims; and (iii) claims that any of the Licensed Applications and/or the end-user's possession or use of those Licensed Applications infringes the copyright or other intellectual property rights of any third party.

6. Termination

6.1 This Schedule 1, and all of Apple's obligations hereunder, shall terminate upon the expiration or termination of the Agreement.

6.2 In the event that You no longer have the legal right to distribute the Licensed Applications, or to authorize Apple to allow access to those Licensed Applications by end-users, in accordance with this Schedule 1, You shall promptly notify Apple and withdraw those Licensed Applications from the App Store or the Custom App Distribution Site using the tools provided on the App Store Connect site;

provided, however, that such withdrawal by You under this Section 6.2 shall not relieve You of any of Your obligations to Apple under this Schedule 1, or any liability to Apple and/or any end-user with respect to those Licensed Applications.

6.3 Apple reserves the right to cease marketing, offering, and allowing download by end-users of the Licensed Applications at any time, with or without cause, by providing notice of termination to You. Without limiting the generality of this Section 6.3, You acknowledge that Apple may cease allowing download by end-users of some or all of the Licensed Applications, or take other interim measures in Apple's sole discretion, if Apple reasonably believes that: (i) those Licensed Applications are not authorized for export to one or more of the regions designated by You under Section 2.1 hereof, in accordance with the Export Administration Regulations or other restrictions; (ii) those Licensed Applications and/or any end-user's possession and/or use of those Licensed Applications, infringe patent, copyright, trademark, trade secret or other intellectual property rights of any third party; (iii) the distribution and/or use of those Licensed Applications violates any applicable law in any region You designate under Section 2.1 of this Schedule 1; (iv) You have violated the terms of the Agreement, this Schedule 1, or other documentation including without limitation the App Store Review Guidelines; or (v) You or anyone representing You or Your company are subject to sanctions of any region in which Apple operates. An election by Apple to cease allowing download of any Licensed Applications, pursuant to this Section 6.3, shall not relieve You of Your obligations under this Schedule 1.

6.4 You may withdraw any or all of the Licensed Applications from the App Store or the Custom App Distribution Site, at any time, and for any reason, by using the tools provided on the App Store Connect site, except that, with respect to Your end-users, You hereby authorize and instruct Apple to fulfill sections 1.2(b), (c), and (d) of this Schedule 1, which shall survive termination or expiration of the Agreement unless You indicate otherwise pursuant to sections 4.1 and 6.2 of this Schedule 1.

7. Legal Consequences

The relationship between You and Apple established by this Schedule 1 may have important legal consequences for You. You acknowledge and agree that it is Your responsibility to consult with Your legal advisors with respect to Your legal obligations hereunder.

EXHIBIT A
(to Schedule 1)

1. Apple as Agent

You appoint Apple Canada, Inc. ("Apple Canada") as Your agent for the marketing and end-user download of the Licensed Applications by end-users located in the following region:

Canada

You appoint Apple Pty Limited ("APL") as Your agent for the marketing and end-user download of the Licensed Applications by end-users located in the following regions:

Australia

New Zealand

You appoint Apple Inc. as Your agent pursuant to California Civil Code §§ 2295 *et seq*. for the marketing and end-user download of the Licensed Applications by end-users located in the following regions:

United States

You appoint Apple Services LATAM LLC as Your agent pursuant to California Civil Code §§ 2295 *et seq*. for the marketing and end-user download of the Licensed by end-users located in the following regions:

Argentina*
Anguilla
Antigua & Barbuda
Bahamas
Barbados
Belize
Bermuda
Bolivia*
Brazil*
British Virgin Islands
Cayman Islands
Chile*
Colombia*
Costa Rica*
Dominica
Dominican Republic*
Ecuador*
El Salvador*
Grenada
Guyana
Guatemala*
Honduras*
Jamaica
Mexico*
Montserrat
Nicaragua*
Panama*
Paraguay*
Peru*
St. Kitts & Nevis
St. Lucia
St. Vincent & The Grenadines
Suriname
Trinidad & Tobago
Turks & Caicos
Uruguay
Venezuela*

* Custom Applications are only available in these regions.

You appoint iTunes KK as Your agent pursuant to Article 643 of the Japanese Civil Code for the marketing and end-user download of the Licensed Applications by end-users located in the following region:

Japan

2. Apple as Commissionaire

You appoint Apple Distribution International Ltd. as Your commissionaire for the marketing and end-user download of the Licensed Applications by end-users located in the following regions, as updated from time to time via the App Store Connect site. For the purposes of this Agreement, "commissionaire" means an agent who purports to act on their own behalf and concludes agreements in his own name but acts on behalf of other persons, as generally recognized in many Civil Law legal systems

Afghanistan
Albania
Algeria
Angola
Armenia
Austria
Azerbaijan
Bahrain*
Belarus
Belgium*
Benin
Bhutan
Bosnia and Herzegovina
Botswana
Brunei
Bulgaria*
Burkina-Faso
Cambodia
Cameroon
Cape Verde
Chad
China*
Congo (Democratic Republic of)
Congo (Republic of)
Cote d'Ivoire
Croatia
Cyprus*
Czech Republic
Gabon
Gambia
Georgia
Germany*
Ghana
Greece*
Guinea-Bissau
Hong Kong*
Hungary
Iceland*
India
Indonesia
Iraq
Ireland*
Israel*
Italy*
Jordan
Kazakhstan
Kenya
Korea*
Kosovo
Kuwait
Kyrgyzstan
Laos
Latvia*
Lebanon
Liberia
Libya
Malawi
Malaysia*
Maldives
Mali
Malta, Republic of*
Mauritania
Mauritius
Micronesia, Fed States of
Moldova
Mongolia
Montenegro
Morocco
Mozambique
Myanmar
Namibia
Nauru
Nepal
Netherlands*
Niger
Nigeria
Norway*
Oman
Pakistan
Palau
Papua New Guinea
Philippines*
Poland
Portugal
Saudi Arabia*
Senegal
Serbia
Seychelles
Sierra Leone
Singapore*
Slovakia*
Slovenia*
Solomon Islands
South Africa
Spain*
Sri Lanka
Swaziland
Sweden*
Switzerland*
Taiwan*
Tajikistan
Tanzania
Thailand*
Tonga
Tunisia
Turkey*
Turkmenistan
UAE*
Uganda
Ukraine*
United Kingdom*
Uzbekistan

Denmark*
Egypt*
Estonia*
Fiji
Finland*
France*
Lithuania*
Luxembourg*
Macau
Macedonia
Madagascar
Qatar*
Romania*
Russia*
Rwanda
Sao Tome e Principe
Vanuatu
Vietnam*
Yemen
Zambia
Zimbabwe

* Custom Applications are only available in these regions.

EXHIBIT B
(to Schedule 1)

Instructions for Minimum Terms of Developer's End-User License Agreement

1. Acknowledgement: You and the end-user must acknowledge that the EULA is concluded between You and the end-user only, and not with Apple, and You, not Apple, are solely responsible for the Licensed Application and the content thereof. The EULA may not provide for usage rules for Licensed Applications that are in conflict with, the Apple Media Services Terms and Conditions or the Volume Content Terms as of the Effective Date (which You acknowledge You have had the opportunity to review).

2. Scope of License: The license granted to the end-user for the Licensed Application must be limited to a non-transferable license to use the Licensed Application on any Apple-branded Products that the end-user owns or controls and as permitted by the Usage Rules set forth in the Apple Media Services Terms and Conditions, except that such Licensed Application may be accessed, acquired, and used by other accounts associated with the purchaser via Family Sharing, volume purchasing, or Legacy Contacts.

3. Maintenance and Support: You must be solely responsible for providing any maintenance and support services with respect to the Licensed Application, as specified in the EULA, or as required under applicable law. You and the end-user must acknowledge that Apple has no obligation whatsoever to furnish any maintenance and support services with respect to the Licensed Application.

4. Warranty: You must be solely responsible for any product warranties, whether express or implied by law, to the extent not effectively disclaimed. The EULA must provide that, in the event of any failure of the Licensed Application to conform to any applicable warranty, the end-user may notify Apple, and Apple will refund the purchase price for the Licensed Application to that end-user; and that, to the maximum extent permitted by applicable law, Apple will have no other warranty obligation whatsoever with respect to the Licensed Application, and any other claims, losses, liabilities, damages, costs or expenses attributable to any failure to conform to any warranty will be Your sole responsibility.

5. Product Claims: You and the end-user must acknowledge that You, not Apple, are responsible for addressing any claims of the end-user or any third party relating to the Licensed Application or the end-user's possession and/or use of that Licensed Application, including, but not limited to: (i) product liability claims; (ii) any claim that the Licensed Application fails to conform to any applicable legal or regulatory requirement; and (iii) claims arising under consumer protection or similar legislation, including in connection with Your Licensed or Custom Application's use of the HealthKit and HomeKit frameworks. The EULA may not limit Your liability to the end-user beyond what is permitted by applicable law.

6. Intellectual Property Rights: You and the end-user must acknowledge that, in the event of any third party claim that the Licensed Application or the end-user's possession and use of that Licensed Application infringes that third party's intellectual property rights, You, not Apple, will be solely responsible for the investigation, defense, settlement and discharge of any such intellectual property infringement claim.

7. Legal Compliance: The end-user must represent and warrant that (i) the end-user is not located in a region that is subject to a U.S. Government embargo, or that has been designated by the U.S. Government as a "terrorist supporting" region; and (ii) the end-user is not listed on any U.S. Government list of prohibited or restricted parties.

8. Developer Name and Address: You must state in the EULA Your name and address, and the contact information (telephone number; E-mail address) to which any end-user questions, complaints or claims with respect to the Licensed Application should be directed.

9. Third Party Terms of Agreement: You must state in the EULA that the end-user must comply with applicable third party terms of agreement when using Your Application, e.g., if You have a VoIP application, then the end-user must not be in violation of their wireless data service agreement when using Your Application.

10. Third Party Beneficiary: You and the end-user must acknowledge and agree that Apple, and Apple's subsidiaries, are third party beneficiaries of the EULA, and that, upon the end-user's acceptance of the terms and conditions of the EULA, Apple will have the right (and will be deemed to have accepted the right) to enforce the EULA against the end-user as a third party beneficiary thereof.

EXHIBIT C
(to Schedule 1)

App Store Promo Codes Terms

Notwithstanding any other provisions of the Agreement or this Schedule 1, You hereby agree that the following terms shall apply to all App Store Promo Codes ("Promo Codes") requested by You via the App Store Connect tool. For the purposes of this Exhibit C, "You" shall include additional members of Your App Store Connect team (e.g., individuals in the marketing and technical roles).

Except as otherwise expressed in writing herein, nothing in this Exhibit C shall be construed to modify the Agreement or this Schedule 1 in any way, and all capitalized terms not defined below shall have the meanings set forth in the Program Agreement.

1. DEFINITIONS:

"Holder" means an individual located in a Territory to whom You provide one or more Promo Codes;

"Promo Code" means a unique alphanumeric code generated and provided to You by Apple pursuant to this Exhibit C which allows a Holder who is an App Store customer to download or access for free from the App Store the Licensed Application for which You have requested such code via the App Store Connect tool, whether offered for free or for a fee on the App Store (the "Promo Content"); and

"Effective Period" means the period between the Promo Code Activation Date and the Promo Code Expiration Date.

2. AUTHORIZATION AND OBLIGATIONS: You hereby authorize and instruct Apple to provide You with Promo Codes upon request, pursuant to the terms of this Exhibit C, and You take full responsibility for ensuring that any team member that requests such codes shall abide by the terms of this Exhibit C. You shall be responsible for securing all necessary licenses and permissions relating to use of the Promo Codes and the Licensed Application, including any uses by You of the name(s) or other indicia of the Licensed Application, or name(s) or likenesses of the person(s) performing or otherwise featured in the Licensed Application, in any advertising, marketing, or other promotional materials, in any and all media. Apple reserves the right to request and receive copies of such licenses and permissions from You, at any time, during the Effective Period.

3. NO PAYMENT: Except for Your obligations set forth in Section 10 of this Exhibit C, You are not obligated to pay Apple any commission for the Promo Codes.

4. DELIVERY: Upon request by You via the App Store Connect tool, Apple shall provide the Promo Codes electronically to You via App Store Connect, email, or other method as may be indicated by Apple.

5. PROMO CODE ACTIVATION DATE: Promo Codes will become active for use by Holders upon delivery to You.

6. PROMO CODE EXPIRATION DATE: All unused Promo Codes, whether or not applied to an Apple ID, expire at midnight 11:59 PT on the earlier of: (a) the date that is twenty-eight (28) days after the delivery of the Promo Codes; or (b) the termination of the Agreement.

7. PERMITTED USE: You may distribute the Promo Codes until that date which is ten (10) calendar days prior to the Promo Code Expiration Date solely for the purpose of offering instances of the app for media review or promotional purposes. You may not distribute the Promo Codes to Holders in any Territory in which You are not permitted to sell or distribute Your Licensed Application.

8. ADDITIONAL MATERIALS: Apple shall not be responsible for developing and producing any materials in relation to the Promo Codes other than the Promo Codes themselves.

9. REPRESENTATIONS, WARRANTIES, AND INDEMNIFICATION: You represent and warrant that: (i) You own or control all rights necessary to make the grant of rights, licenses, and permissions listed in Section 2, and that the exercise of such rights, licenses, and permissions shall not violate or infringe the rights of any third party, and (ii) any use of the Promo Codes shall be in accordance with the terms of this Exhibit C and shall not infringe any third party rights or violate any applicable laws, directives, rules, and regulations of any governmental authority in the Territory or anywhere else in the world. You agree to indemnify and hold Apple, its subsidiaries and affiliates (and their respective directors, officers, and employees) harmless from all losses, liabilities, damages, or expenses (including reasonable attorneys' fees and costs) resulting from any claims, demands, actions, or other proceedings arising from a breach of the representations and warranties set for h in this Section, or a breach of any other term of the Agreement and this Schedule 1.

10. PAYMENT WAIVER: You hereby waive any right to collect any royalties, proceeds, or remuneration for the distribution and download of the Licensed Application via the Promo Codes, regardless of whether any remuneration would otherwise be payable under the Agreement, including Schedule 1 thereto, if applicable. The parties acknowledge that, as between Apple and You, the parties' respective responsibilities for the payment of any royalties or other similar payments to third parties with respect to distribution and download of the Licensed Application via the Promo Codes shall be as set forth in the Agreement.

11. TERMS AND CONDITIONS: You further agree to the following terms:

(a) You shall not sell the Promo Codes or accept any form of payment, trade-in-kind, or other compensation in connection with the distribution of the Promo Codes and You shall prohibit third parties from doing so.

(b) Nothing in this Exhibit C shall cause the parties to become partners, joint venturers or co-owners, nor shall either party constitute an agent, employee, or representative of the other, or empower the other party to act for, bind, or otherwise create or assume any obligation on its behalf, in connection with any transaction under this Exhibit C; provided, however, that nothing in this Section 11(b) shall affect, impair, or modify either of the Parties' respective rights and obligations, including the agency or commissionaire relationship between them under Schedules 1, 2, and 3 of the Agreement.

(c) You shall prominently disclose any content age restrictions or warnings legally required in the Territories and ensure that Promo Codes are distributed only to persons of an age appropriate and consistent with the App Store rating for the associated Licensed Application.

(d) You shall conduct Yourself in an honest and ethical manner and shall not make any statement, orally or in writing, or do any act or engage in any activity that is obscene, unlawful, or encourages unlawful or dangerous conduct, or that may disparage, denigrate, or be detrimental to Apple or its business.

(e) Apple shall not be responsible for providing any technical or customer support to You or Holders above what Apple provides to standard or ordinary App Store users.

(f) You agree to the additional Promo Code Terms and Conditions attached hereto as Attachment 1.

(g) YOU SHALL INCLUDE THE REGION SPECIFIC HOLDER TERMS & CONDITIONS AS WELL AS THE EXPIRATION DATE OF THE PROMO CODE ON ANY INSTRUMENT USED TO DISTRIBUTE THE PROMO CODE TO HOLDERS (E.G., CERTIFICATE, CARD, EMAIL, ETC). YOU MAY ACCESS THIS INFORMATION LOCALIZED FOR EACH TERRITORY UPON REQUESTING THE PROMO CODES IN THE APP STORE CONNECT TOOL.

(h) You shall be solely responsible for Your use of the Promo Codes, including any use by other members of Your App Store Connect team, and for any loss or liability to You or Apple therefrom.

(i) In the event Your Licensed Application is removed from the App Store for any reason, You agree to cease distribution of the Promo Codes and that Apple may deactivate such Promo Codes.

(j) You agree that Apple shall have the right to deactivate the Promo Codes, even if already delivered to Holders, in the event You violate any of the terms of this Exhibit C, the Agreement, or Schedules 1, 2, or 3 thereto.

(k) You may distribute the Promo Codes within the Territories, but agree that You shall not export any Promo Code for use outside the Territories nor represent that You have the right or ability to do so. Risk of loss and transfer of title for the Promo Codes pass to You upon delivery to You within App Store Connect, via email, or other method provided by Apple.

12. APPLE TRADEMARKS: Your use of Apple trademarks in connection with the Promo Codes is limited only to "iTunes" and "App Store" (the "Marks") subject to the following and any additional guidelines Apple may issue from time to time:

(a) You may use the Marks only during the Effective Period

(b) You shall submit any advertising, marketing, promotional or other materials, in any and all media now known or hereinafter invented, incorporating the Marks to Apple prior to use for written approval. Any such materials not expressly approved in writing by Apple shall be deemed disapproved by Apple.

(c) You may only use the Marks in a referential manner and may not use the Marks as the most prominent visual element in any materials. Your company name, trademark(s), or service mark(s) should be significantly larger than any reverence to the Marks.

(d) You may not directly or indirectly suggest Apple's sponsorship, affiliation, or endorsement of You, Your Licensed Applications, or any promotional activities for which You are requesting the Promo Codes.

(e) You acknowledge that the Marks are the exclusive property of Apple and agree not to claim any right, title, or interest in or to the Marks or at any time challenge or attack Apple's rights in the Marks. Any goodwill resulting from Your use of the Marks shall inure solely to the benefit of Apple and shall not create any right, title, or interest for You in the Marks.

13. GOVERNING LAW: Any litigation or other dispute resolution between You and Apple arising out of or relating to this Exhibit C or facts relating thereto shall be governed by Section 14.10 of the Agreement.

Attachment 1
(to Exhibit C of Schedule 1)

App Store Promo Codes Terms and Conditions

1. All Promo Codes delivered pursuant to this Exhibit C, whether or not applied to an App Store account, expire as indicated in this Exhibit C.

2. Promo Codes, and unused balances, are not redeemable for cash and cannot be returned for a cash refund, exchanged, or used to purchase any other merchandise, or provide allowances or iTunes or App Store Gifts by either You or Holder. This includes Promo Codes that have expired unused.

3. Promo Codes may only be redeemed through the App Store in the Territory, open only to persons in the Territory with a valid Apple ID. Not all App Store products may be available in all Territories. Internet access (fees may apply), the latest version of Apple software, and other compatible software and hardware are required.

4. Access to, redemption of Promo Codes on, or purchases from, and use of products purchased on, the App Store, are subject to acceptance of its Terms of Service presented at the time of redemption or purchase, and found at http://www.apple.com/legal/itunes/ww/.

5. Promo Codes will be placed in the Holder's applicable Apple ID and are not transferable.

6. If a Holder's order exceeds the amount available on the Promo Codes, Holder must establish an Apple ID and pay for the balance with a credit card.

7. Except as stated otherwise, data collection and use are subject to Apple's Privacy Policy, which can be found at http://www.apple.com/legal/privacy.

8. Apple is not responsible for lost or stolen Promo Codes. If Holders have any questions, they may visit Apple Support at https://support.apple.com/apps.

9. Apple reserves the right to close Holder accounts and request alternative forms of payment if Promo Codes are fraudulently obtained or used on the App Store.

10. APPLE AND ITS LICENSEES, AFFILIATES, AND LICENSORS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO PROMO CODES OR THE APP STORE, INCLUDING WITHOUT LIMITATION, ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN THE EVENT A PROMO CODE IS NON-FUNCTIONAL, HOLDER'S OR COMPANY'S SOLE REMEDY, AND APPLE'S SOLE LIABILITY, SHALL BE THE REPLACEMENT OF SUCH PROMO CODE. THESE LIMITATIONS MAY NOT APPLY. CERTAIN LOCAL AND TERRITORY LAWS DO NOT ALLOW LIMITATIONS ON IMPLIED WARRANTIES OR THE EXCLUSION OR LIMITATION OF CERTAIN DAMAGES. IF THESE LAWS APPLY, SOME OR ALL OF THE ABOVE DISCLAIMERS, EXCLUSIONS, OR LIMITATIONS MAY NOT APPLY, AND YOU OR HOLDER MAY ALSO HAVE ADDITIONAL RIGHTS.

11. Apple reserves the right to change any of the terms and conditions set forth in this Attachment 1 from time to time without notice.

12. Any part of these terms and conditions may be void where prohibited or restricted by law.

EXHIBIT D
(to Schedule 1)

Additional App Store Terms

1. Discoverability on the App Store: The discoverability of Your Licensed Application in the App Store depends on several factors, and Apple is under no obligation to display, feature, or rank Your Licensed Application in any particular manner or order in the App Store.

(a) The main parameters used for app ranking and discoverability are text relevance, such as using an accurate title, adding relevant keywords/metadata, and selecting descriptive categories in the Licensed Application; customer behavior relating to the number and quality of ratings and reviews and application downloads; date of launch in the App Store may also be considered for relevant searches; and whether You have violated any rules promulgated by Apple. These main parameters deliver the most relevant results to customer search queries.

(b) When considering apps to feature in the App Store, our editors look for high-quality apps across all categories, with a particular focus on new apps and apps with significant updates. The main parameters that our editors consider are UI design, user experience, innovation and uniqueness, localizations, accessibility, App Store product page screenshots, app previews, and descriptions; and additionally, for games, gameplay, graphics and performance, audio, narrative and story depth, ability to replay, and gameplay controls. These main parameters showcase high-quality, well-designed, and innovative apps.

(c) If You use an Apple service for paid promotion of Your app on the App Store, Your app may be presented in a promotional placement and designated as advertising content.

To learn more about app discoverability, visit https://developer.apple.com/app-store/discoverability/.

2. Access to App Store Data

You can access data concerning your Licensed Application's financial performance and user engagement in App Store Connect by using App Analytics, Sales and Trends, and Payments and Financial Reports. Specifically, You can obtain all of Your Licensed Application's financial results for individual app sales and in-app purchases (including subscriptions) in Sales and Trends, or download the data from Financial Reports; and You can view App Analytics for non-personally identifiable data that allows You to understand how consumers engage with your Licensed Applications. More information can be found at https://developer.apple.com/app-store/measuring-app-performance/. App Analytics data is provided only with the consent of our customers. For more information, see https://developer.apple.com/app-store-connect/analytics/. Apple does not provide You with access to personal or other data provided by or generated through use of the App Store by other developers; nor does Apple provide other developers with access to personal or other data provided by or generated through Your use of the App Store. Such data sharing would conflict with Apple's Privacy Policy, and with our customers' expectations about how Apple treats their data. You can seek to collect information from customers directly, so long as such information is collected in a lawful manner, and You follow the App Store Review Guidelines.

Apple handles personal and non-personal information as outlined in Apple's Privacy Policy. Information about Apple's access to and practices concerning developer and customer data can be found in "App Store & Privacy," accessible at https://support.apple.com/en-us/HT210584. Apple may provide some non-personal information to strategic partners that work with Apple to provide our products and services, help Apple market to customers, and sell ads on Apple's behalf to display in the App Store and Apple News and Stocks. Such partners are obligated to protect that information and may be located wherever Apple operates.

3. P2B Regulation Complaints and Mediation

Developers established in, and which offer goods or services to customer located in, a region subject to a platform-to-business regulation ("P2B Regulation"), such as the Regulation of the European Parliament and of the Council on promoting fairness and transparency for business users of online intermediation services may submit complaints pursuant to such P2B Regulation related to the following issues at https://developer.apple.com/contact/p2b/: (a) Apple's alleged non-compliance with any obligations set forth in the P2B Regulation which affect You in the region in which you are established; (b) technological that affect You and relate directly to distribution of Your Licensed Application on the App Store in the region in which you are established; or (c) measures taken by or behavior of Apple that affect You and relate directly to distribution of Your Licensed Application on the App Store in the region in which you are established. Apple will consider and process such complaints and communicate the outcome to You.

For Developers established in, and which offer goods or services to customer located in, the European Union, Apple identifies the following panel of mediators with which Apple is willing to engage to attempt to reach an agreement with developers established in, and which offer goods or services to customer located in, the European Union on the settlement, out of court, of any disputes between Apple and You arising in relation to the provision of the App Store services concerned, including complaints that could not be resolved by means of our complaint-handling system:

Centre for Effective Dispute Resolution
P2B Panel of Mediators
70 Fleet Street
London
EC4Y 1EU
United Kingdom
https://www.cedr.com/p2bmediation/

Exhibit 10.37

By clicking to agree to this Schedule 2, which is hereby offered to You by Apple, You agree with Apple to amend that certain Apple Developer Program License Agreement currently in effect between You and Apple (the "Agreement") to add this Schedule 2 thereto (supplanting any existing Schedule 2). Except as otherwise provided herein, all capitalized terms shall have the meanings set forth in the Agreement.

Schedule 2

1. Appointment of Agent and Commissionaire

1.1 You hereby appoint Apple and Apple Subsidiaries (collectively "Apple") as: (i) Your agent for the marketing and delivery of the Licensed Applications to End-Users located in those regions listed on Exhibit A, Section 1 to this Schedule 2, subject to change; and (ii) Your commissionaire for the marketing and delivery of the Licensed Applications to End-Users located in those regions listed on Exhibit A, Section 2 to this Schedule 2, subject to change, during the Delivery Period. The most current list of App Store regions among which You may select shall be set forth in the App Store Connect tool and may be updated by Apple from time to time. You hereby acknowledge that Apple will market and make the Licensed Applications available for download by End-Users through one or more App Stores, for You and on Your behalf. For purposes of this Schedule 2, the following definitions apply:

(a) "You" shall include App Store Connect users authorized by You to submit Licensed Applications and associated metadata on Your behalf; and

(b) "End-User" includes individual purchasers as well as eligible users associated with their account via Family Sharing or Legacy Contacts. For institutional customers, "End-User" shall mean the individual authorized to use the Licensed Application by the institutional purchaser, the institutional administrator responsible for management of installations on shared devices, as well as authorized institutional purchasers themselves, including educational institutions approved by Apple, which may acquire the Licensed Applications for use by their employees, agents, and affiliates.

(c) For the purposes of this Schedule 2, the term "Licensed Application" shall include any content, functionality, extensions, stickers, or services offered in the software application.

1.2 In furtherance of Apple's appointment under Section 1.1 of this Schedule 2, You hereby authorize and instruct Apple to:

(a) market, solicit, and obtain orders on Your behalf for Licensed Applications from End-Users located in the regions identified by You in the App Store Connect tool;

(b) provide hosting services to You subject to the terms of the Agreement, in order to allow for the storage of, and End-User access to, the Licensed Applications and to enable third party hosting of such Licensed Applications solely as otherwise licensed or authorized by Apple;

(c) make copies of, format, and otherwise prepare Licensed Applications for acquisition and download by End-Users, including adding the Security Solution and other optimizations identified in the Agreement;

(d) allow or, in the case of cross-border assignments of Volume Content purchases, arrange for End- Users to access and re-access copies of the Licensed Applications, so that End-Users may acquire and electronically download those Licensed Applications developed by You, Licensed Application Information, and associated metadata through one or more App Stores. In addition, You hereby authorize distribution of Your Licensed Applications under this Schedule 2 for use by: (i) multiple End-Users when the Licensed Application is purchased by an individual account associated with other family members via Family Sharing, including at Your election as indicated in the App Store Connect tool, purchases made prior to the execution of this Schedule 2; (ii) eligible Legacy Contacts of an End-User to access Your Licensed Application along with associated information and metadata stored in iCloud as described in https://support.apple.com/kb/HT212360; and (iii) a single institutional customer via the Volume Content Service for use by its End-Users and/or for installation on devices with no associated Apple IDs that are owned or controlled by that institutional customer in accordance with the Volume Content Terms, conditions, and program requirements;

(e) issue invoices for the purchase price payable by End-Users for the Licensed Applications;

(f) use (i) screen shots, previews, and/or up to 30 second excerpts of the Licensed Applications; (ii) trademarks and logos associated with the Licensed Applications; and (iii) Licensed Application Information, for promotional purposes in marketing materials and gift cards and in connection with vehicle displays, excluding those portions of the Licensed Applications, trademarks or logos, or Licensed Application Information which You do not have the right to use for promotional purposes, and which You identify in writing at the time that the Licensed Applications are delivered by You to Apple under Section 2.1 of this Schedule 2, and use images and other materials that You may provide to Apple, at Apple's reasonable request, for promotional purposes in marketing materials and gift cards and in connection with vehicle displays;

(g) otherwise use Licensed Applications, Licensed Application Information and associated metadata as may be reasonably necessary in the marketing and delivery of the Licensed Applications in accordance with this Schedule 2. You agree that no royalty or other compensation is payable for the rights described above in Section 1.2 of this Schedule 2; and

(h) facilitate distribution of pre-release versions of Your Licensed Applications ("Beta Testing") to End-Users designated by You in accordance with the Agreement, availability, and other program requirements as updated from time to time in the App Store Connect tool. For the purposes of such Beta Testing, You hereby waive any right to collect any purchase price, proceeds or other remuneration for the distribution and download of such pre-release versions of Your Application. You further agree that You shall remain responsible for the payment of any royalties or other payments to third parties relating to the distribution and use of Your pre-release Licensed Applications, as well as compliance with any and all laws for territories in which such Beta Testing takes place. For the sake of clarity, no commission shall be owed to Apple with respect to such distribution.

1.3 The parties acknowledge and agree that their relationship under this Schedule 2 is, and shall be, that of principal and agent, or principal and commissionaire, as the case may be, as described in Exhibit A, Section 1 and Exhibit A, Section 2, respectively, and that You, as principal, are, and shall be, solely responsible for any and all claims and liabilities involving or relating to, the Licensed Applications, as provided in this Schedule 2. The parties acknowledge and agree that Your appointment of Apple as Your agent or commissionaire, as the case may be, under this Schedule 2 is non-exclusive. You hereby represent and warrant that You own or control the necessary rights in order to appoint Apple and Apple Subsidiaries as Your worldwide agent and/or commissionaire for the delivery of Your Licensed Applications, and that the fulfillment of such appointment by Apple and Apple Subsidiaries shall not violate or infringe the rights of any third party.

1.4 For purposes of this Schedule 2, the "Delivery Period" shall mean the period beginning on the Effective Date of the Agreement, and expiring on the last day of the Agreement or any renewal thereof; provided, however, that Apple's appointment as Your agent and commissionaire shall survive expiration of the Agreement for a reasonable phase-out period not to exceed thirty (30) days and further provided that, solely with respect to Your End-Users, subsections 1.2(b), (c), and (d) of this Schedule 2 shall survive termination or expiration of the Agreement unless You indicate otherwise pursuant to sections 5.1 and 7.2 of this Schedule 2.

2. Delivery of the Licensed Applications to Apple

2.1 You will deliver to Apple, at Your sole expense, using the App Store Connect tool or other mechanism provided by Apple, the Licensed Applications, Licensed Application Information and associated metadata, in a format and manner prescribed by Apple, as required for the delivery of the Licensed Applications to End-Users in accordance with this Schedule 2. Metadata You deliver to Apple under this Schedule 2 will include: (i) the title and version number of each of the Licensed Applications; (ii) the regions You designate, in which You wish Apple to allow End-Users to download those Licensed Applications; (iii) any copyright or other intellectual property rights notices; (iv) Your privacy policy; (v) Your End-User license agreement ("EULA"), if any, in accordance with Section 4.2 of this Schedule 2; and (vi) any additional metadata set forth in the Documentation and/or the App Store Connect tool as may be updated from time to time, including metadata designed to enhance search and discovery of content on Apple-branded hardware.

2.2 All Licensed Applications will be delivered by You to Apple using software tools, a secure FTP site address and/or such other delivery methods as prescribed by Apple.

2.3 You hereby certify that all of the Licensed Applications You deliver to Apple under this Schedule 2 are authorized for export from the United States to each of the regions listed on Exhibit A, in accordance with the requirements of all applicable laws, including but not limited to the United States Export Administration Regulations, 15 C.F.R. Parts 730-774. You further represent and warrant that all versions of the Licensed Applications You deliver to Apple are not subject to the International Traffic In Arms Regulations 22 C.F.R. Parts 120-130 and are not designed, made, modified or configured for any military end users or end uses. Without limiting the generality of this Section 2.3, You certify that (i) none of the Licensed Applications contains, uses or supports any data encryption or cryptographic functions; or (ii) in the event that any Licensed Application contains, uses or supports any such data encryption or cryptographic functionality, You certify that You have complied with the United States Export Administration Regulations, and are in possession of, and will upon request provide Apple with, PDF copies of export classification ruling (CCATS) issued by the United States Commerce Department, Bureau of Industry and Security ("BIS") or any self-classification reports submitted to the BIS, and appropriate authorizations from other regions that mandate import authorizations for that Licensed Application, as required. You acknowledge that Apple is relying upon Your certification in this Section 2.3 in allowing End-Users to access and download the Licensed Applications under this Schedule 2. Except as provided in this Section 2.3, Apple will be responsible for compliance with the requirements of the Export Administration Regulations in allowing End-Users to access and download the Licensed Applications under this Schedule 2.

2.4 You shall be responsible for determining and implementing any age ratings or parental advisory warnings required by the applicable government regulations, ratings board(s), service(s), or other organizations (each a "Ratings Board") for any video, television, gaming or other content offered in Your Licensed Application for each locality in the Territory. Where applicable, You shall also be responsible for providing any content restriction tools or age verification functionality before enabling end-users to access mature or otherwise regulated content within Your Licensed Application.

3. Delivery of the Licensed Applications to End-Users

3.1 You acknowledge and agree that Apple, in the course of acting as agent and/or commissionaire for You, is hosting, or pursuant to Section 1.2(b) of this Schedule 2 may enable authorized third parties to host, the Licensed Applications, and is allowing the download of those Licensed Applications by End-Users, on Your behalf. However, You are responsible for hosting and delivering content or services sold by You using the In-App Purchase API, except for content that is included within the Licensed Application itself (i.e., the In-App Purchase simply unlocks the content) or content hosted by Apple pursuant to section 3.3 of Attachment 2 to the Agreement. All of the Licensed Applications shall be marketed by Apple, on Your behalf, to End-Users at prices identified in a price tier and designated by You, in Your sole discretion, from the pricing schedule set forth in the App Store Connect tool, which may be updated from time to time by Apple. In addition, You may, at Your election via App Store Connect, instruct Apple to market the Licensed Applications at a discount of 50% of Your established price tier for authorized institutional customers. You may change the price tier for any Licensed Application at any time, at Your discretion, in accordance with the pricing schedule set forth in the App Store Connect tool as may be updated from time to time. As Your agent and/or commissionaire, Apple shall be solely responsible for the collection of all prices payable by End-Users for Licensed Applications acquired by those End-Users under this Schedule 2.

3.2 In the event that the sale or delivery of any of the Licensed Applications to any End-User is subject to any sales, use, goods and services, value added, telecommunications or other similar tax or levy, under applicable law, responsibility for the collection and remittance of that tax for sales of the Licensed Applications to End-Users will be determined in accordance with Exhibit B to this Schedule 2 as updated from time to time via the App Store Connect site. You are solely responsible for selecting and maintaining accurate inputs for tax categorization for Your Licensed Applications via the App Store Connect site, which may be updated from time to time. Such tax categorization will be applied to the sale and delivery of Your Licensed Applications. Any adjustments that You make to the tax categorization for Your Licensed Applications will take effect for future sales of Licensed Applications after Apple has processed the adjustment within a reasonable period of time. Adjustments that You make to the tax categorization for Your Licensed Applications will not apply to any sales of Licensed Applications occurring before Apple has processed Your tax categorization adjustment.

If the tax categorization of Your Licensed Applications is deemed to be inaccurate by any tax authority, You are solely responsible for the tax consequences. If Apple deems in its reasonable discretion that the tax categorization of Your Licensed Applications is inaccurate, Apple reserves the right to hold in trust amounts owed to You, until such time as You correct the tax categorization. Upon correction of the tax categorization, Apple will deduct any penalties and interest resulting from the inaccuracy, and remit to You any remaining amounts held in trust by Apple for You, without interest, in accordance with the provisions of this Schedule 2. You shall indemnify and hold Apple harmless against any and all claims by any tax authority for any underpayment or overpayment of any sales, use, goods and services, value added, telecommunications or other tax or levy, and any penalties and/or interest thereon.

3.3 In furtherance of the parties' respective tax compliance obligations, Apple requires that You comply with the requirements listed on Exhibit C to this Schedule 2 or on App Store Connect depending upon, among other things, (i) Your region of residence and (ii) the regions designated by You in which You wish Apple to allow access to the Licensed Applications. In the event that Apple collects any amounts corresponding to the purchase price for any of Your Licensed Applications before You have provided Apple with any tax documentation required under Exhibit C to this Schedule 2, Apple may decide to not remit those amounts to You, and to hold those amounts in trust for You, until such time as You have provided Apple with the required tax documentation. Upon receipt of all required tax documents from You, Apple will remit to You any amounts held in trust by Apple for You, without interest, under this Section 3.3, in accordance with the provisions of this Schedule 2.

3.4 Apple shall be entitled to the following commissions in consideration for its services as Your agent and/or commissionaire under this Schedule 2:

(a) For sales of Licensed Applications to End-Users, Apple shall be entitled to a commission equal to thirty percent (30%) of all prices payable by each End-User. Solely for auto-renewing subscription purchases made by customers who have accrued greater than one year of paid subscription service within a Subscription Group (as defined below) and notwithstanding any Retention Grace Periods or Renewal Extension Periods, Apple shall be entitled to a commission equal to fifteen percent (15%) of all prices payable by each End-User for each subsequent renewal. Retention Grace Period refers to the time period between the end of a customer's subscription (e.g., due to cancelation or non-payment) and the beginning of a new subscription within the same Subscription Group, provided that such time period is no greater than 60 days, subject to change. Renewal Extension Period refers to the time by which You extend the renewal date of the customer's subscription, without additional charges. For purposes of determining the commissions to which Apple is entitled under this Section 3.4(a), the prices payable by End-Users shall be net of any and all taxes collected, as provided in Section 3.2 of this Schedule 2.

(b) App Store Small Business Program. For Developers who have qualified and been approved by Apple for the App Store Small Business Program, Apple shall be entitled to a reduced commission of 15% of all prices payable by each End-User for sales of Licensed Applications to End-Users located in those regions listed in Exhibit B of this Schedule 2 as updated from time to time via the App Store Connect site. You may qualify for approval in the App Store Small Business Program subject to the terms of the Agreement, this Schedule 2, and the following:

You and Your Associated Developer Accounts must have earned no more than $1,000,000 in total proceeds (sales net of Apple's commission and certain taxes and adjustments) during the twelve (12) fiscal months occurring in the prior calendar year ("calendar year"), as calculated by Apple under standard business practices.

To enroll in the App Store Small Business Program, You must provide Apple with any requested information related to You and Your Associated Developer Accounts. If there is a change in Your relationship to an Associated Developer Account, You must update such information. An "Associated Developer Account" is any Apple Developer Program account (i) You own or control or (ii) which owns or controls Your account. For example, as the individual or legal entity who accepted the terms of the Agreement and this Schedule 2, You have an Associated Developer Account if any of the following apply:

- You have majority (over 50%) corporate, individual, or partnership interest in the ownership or shares of another Apple Developer Program member account.

- Another Apple Developer Program member has majority (over 50%) corporate, individual, or partnership interest in the ownership or shares of Your account.
- You have ultimate decision-making authority over another Apple Developer Program member account.
- Another Apple Developer Program member has ultimate decision-making authority over Your account.

You and Your Associated Developer Accounts must be in good standing as members of the Apple Developer Program.

Once the total proceeds of You and Your Associated Developer Accounts exceeds $1,000,000 in the current calendar year, You will be charged the standard commission rate set forth in Section 3.4(a) in this Schedule 2 for the remainder of the calendar year.

Apple will determine eligibility and approve qualified Developers for participation in the App Store Small Business Program within fifteen (15) days of the end of each fiscal calendar month.

If the total proceeds of You and Your Associated Developer Accounts amount to no more than $1,000,000 in a future calendar year, You may re-qualify for approval in the App Store Small Business Program in the following calendar year.

If You participate, either as a Transferor or a Recipient (hereafter referred to as an "App Transfer Party"), in the transfer of a Licensed Application, the proceeds associated with that Licensed Application will be included in the calculation of total proceeds of any App Transfer Party to determine eligibility for participation in the App Store Small Business Program. For example, if You transfer a Licensed Application from Your developer account to another developer account using the App Store Connect tool, the proceeds associated with that transferred Licensed Application will be included in the calculation of Your total proceeds and in the calculation of the total proceeds of the developer account to which you transferred the Licensed Application. If a Licensed Application is transferred multiple times in a given calendar year, the proceeds associated with that Licensed Application will be included in the calculation of total proceeds of each and every App Transfer Party.

You and Your Associated Developer Accounts will be disqualified from the App Store Small Business Program and terminated at Apple's discretion, if You or Your Associated Developer Accounts engage in any suspicious, misleading, fraudulent, improper, unlawful or dishonest act or omission relating to qualification in the App Store Small Business Program (e.g., providing false or inaccurate information to Apple, creating or using multiple Apple Developer Program accounts to improperly benefit from the App Store Small Business Program).

Apple may withhold payments due to You and Your Associated Developer Accounts for violations of this provision.

Except as otherwise provided in Section 3.2 of this Schedule 2, Apple shall be entitled to the commissions specified in Section 3.4 hereof without reduction for any taxes or other government levies, including any and all taxes or other, similar obligations of You, Apple or any End-User relating to the delivery or use of the Licensed Applications. For sales of Licensed Applications developed by Apple, Apple is not entitled to a commission.

3.5 Upon collection of any amounts from any End-User as the price for any Licensed Application delivered to that End-User hereunder, Apple shall deduct the full amount of its commission with respect to that Licensed Application, and any taxes collected by Apple under Section 3.2 and 3.4 hereof, and shall remit to You, or issue a credit in Your favor, as the case may be, the remainder of those prices in accordance with Apple standard business practices, including the following: remittance payments (i) are made by means of wire transfer only; (ii) are subject to minimum monthly remittance amount thresholds; (iii) require You to provide certain remittance-related information on the App Store Connect site; and (iv) subject to the foregoing requirements, will be made no later than forty-five (45) days following the close of the monthly period in which the corresponding amount was received by Apple from the End-User. No later than forty-five (45) days following the end of each monthly period, Apple will make available to You on the App Store Connect site a sales report in sufficient detail to permit You to identify the Licensed Applications sold in that monthly period and the total amount to be remitted to You by Apple. You hereby acknowledge and agree that Apple shall be entitled to a commission, in accordance with this Section 3.5 on the delivery of any Licensed Application to any End-User, even if Apple is unable to collect the price for that Licensed Application from that End-User. In the event that the purchase price received by Apple from any End-User for any Licensed Application is in a currency other than the remittance currency agreed between Apple and You, the purchase price for that Licensed Application shall be converted to the remittance currency, and the amount to be remitted by Apple to You shall be determined, in accordance with an exchange rate fixed for the Delivery Period, as reflected in the App Store Connect tool as may be updated from time to time, pursuant to section 3.1 of this Schedule 2. Apple may provide a means on App Store Connect to enable You to designate a primary currency for the bank account designated by You for receiving remittances (“Designated Currency”). Apple may cause Apple’s bank to convert all remittances in any remittance currency other than the Designated Currency into the Designated Currency prior to remittance to You. You agree that any resulting currency exchange differentials or fees charged by Apple’s bank may be deducted from such remittances. You remain responsible for any fees (e.g., wire transfer fees) charged by Your bank or any intermediary banks between Your bank and Apple’s bank.

3.6 In the event that Apple’s commission or any price payable by any End-User for any of the Licensed Applications is subject to (i) any withholding or similar tax; or (ii) any sales, use, goods and services, value added, telecommunications or other tax or levy not collected by Apple under Section 3.2 hereof; or (iii) any other tax or other government levy of whatever nature, the full amount of that tax or levy shall be solely for Your account, and shall not reduce the commission to which Apple is entitled under this Schedule 2.

3.7 In the event that any remittance made by Apple to You is subject to any withholding or similar tax, the full amount of that withholding or similar tax shall be solely for Your account, and will not reduce the commission to which Apple is entitled on that transaction. If Apple reasonably believes that such tax is due, Apple will deduct the full amount of such withholding or similar tax from the gross amount owed to You, and will pay the full amount withheld over to the competent tax authorities. Apple will apply a reduced rate of withholding tax, if any, provided for in any applicable income tax treaty only if You furnish

Apple with such documentation required under that income tax treaty or otherwise satisfactory to Apple, sufficient to establish Your entitlement to the benefit of that reduced rate of withholding tax. Upon Your timely request to Apple in writing, using means reasonably designated by Apple, Apple will use commercially practical efforts to report to You the amount of Apple's payment of withholding or similar taxes to the competent tax authorities on Your behalf. You will indemnify and hold Apple harmless against any and all claims by any competent tax authority for any underpayment of any such withholding or similar taxes, and any penalties and/or interest thereon, including, but not limited to, underpayments attributable to any erroneous claim or representation by You as to Your entitlement to, or Your disqualification for, the benefit of a reduced rate of withholding tax.

3.8 You may offer auto-renewing subscriptions in select Territories using the In-App Purchase API subject to the terms of this Schedule 2, provided that:

(a) Auto-renew functionality must be on a weekly, monthly, bi-monthly, tri-monthly, semi-annual or annual basis at prices You select in the App Store Connect tool. You may offer multiple durations and service levels for Your subscription and will have the ability to associate and rank these subscription items within Subscription Groups, to enable customers to easily upgrade, downgrade, and cross-grade amongst the Subscription Group options. You understand and agree that when a subscriber upgrades or cross-grades (except for cross-grades of different durations), such service level will begin immediately and Your proceeds will be adjusted accordingly, and when a subscriber downgrades, the new service will begin at the end of the current subscription period.

(b) You clearly and conspicuously disclose to users the following information regarding Your auto- renewing subscription:

- Title of auto-renewing subscription, which may be the same as the in-app product name
- Length of subscription
- Price of subscription, and price per unit if appropriate

Links to Your Privacy Policy and Terms of Use must be accessible within Your Licensed Application.

(c) You must fulfill the offer during the entire subscription period, as marketed, including any Billing Grace Period You authorize, and, in the event You breach this section 3.8(c) of Schedule 2, You hereby authorize and instruct Apple to refund to the End-User the full amount, or any portion thereof in Apple's sole discretion, of the price paid by the End-User for that subscription. Billing Grace Period refers to the period during which Developers agree to provide paid service for free to users who do not recover from a billing error. In the event that Apple refunds any such price to an End-User, You shall reimburse, or grant Apple a credit for, an amount equal to the price for that subscription. You acknowledge that Apple may exercise its rights under section 7.3 of this Schedule 2 for repeated violations of this provision.

3.9 When You make price changes to an existing subscription item, You may elect to retain current pricing for Your existing customers by indicating Your intent in the App Store Connect tool. When You increase pricing for existing subscribers in regions that require end-user consent, they will be prompted to review and agree to the new price, otherwise the auto-renewal feature will be disabled.

3.10 To the extent You promote and offer for sale auto-renewing subscriptions, within or outside of Your Licensed Application, You must do so in compliance with all legal and regulatory requirements.

3.11 Subscription services purchased within Licensed Applications must use In-App Purchase.

In addition to using the In-App Purchase API, a Licensed Application may read or play content (magazines, newspapers, books, audio, music, video) that is offered outside of the Licensed Application (such as, by way of example, through Your website) provided that You do not link to or market external offers for such content within the Licensed Application. You are responsible for authentication access to content acquired outside of the Licensed Application.

3.12 If Your Licensed Application is periodical content-based (e.g. magazines and newspapers), Apple may provide You with the name, email address, and zip code associated with an End-User's account when they purchase an auto-renewing subscription via the In-App Purchase API, provided that such user consents to the provision of data to You, and further provided that You may only use such data to promote Your own products and do so in strict compliance with Your publicly posted Privacy Policy, a copy of which must be readily viewed and is consented to in Your Licensed Application. You may offer a free incentive to extend the subscription if the user agrees to send this information.

3.13 You may use Subscription Offer Codes to promote your auto-renewing subscriptions in select Territories subject to the terms of the Agreement, this Schedule 2, and the following:

(a) Subscription Offer Code means a code provided by Apple to You, pursuant to these terms, which allows an End-User to whom You provide one or more Subscription Offer Codes to download or access Your Licensed Application.

(b) Upon request by You via the App Store Connect tool, Apple shall deliver the Subscription Offer Codes electronically to You. Subscription Offer Codes will become active for use by End-Users upon delivery to You.

You may not distribute Subscription Offer Codes that are no longer active to End-Users in any Territory in which You are not permitted to sell or distribute Your Licensed Application.

You shall not export any Subscription Offer Code for use outside the Territories nor represent that You have the right or ability to do so.

Risk of loss and transfer of title for the Subscription Offer Codes pass to You upon delivery to You.

You shall comply with all applicable laws in the Territories in which You distribute Subscription Offer Codes.

(c) Apple shall not be responsible for developing or producing any materials in relation to the Subscription Offer Codes other than the Subscription Offer Codes themselves.

You shall not sell the Subscription Offer Codes or accept any form of payment, trade-in-kind, or other compensation in connection with the distribution of the Subscription Offer Codes and You shall prohibit third parties from doing so.

During the period when a Subscription Offer Code allows an End-User to access a subscription in Your Licensed Application for free, You hereby waive any right to collect any royalties, proceeds, or remuneration for such access, regardless of whether any remuneration would otherwise be payable

under the Agreement, this Schedule 2, and Schedule 1 thereto, if applicable. The parties acknowledge that, as between Apple and You, the parties' respective responsibilities for the payment of any royalties or other similar payments to third parties with respect to End-Users accessing subscriptions in your Licensed Application via the Subscription Offer Codes shall be as set forth in the Agreement and this Schedule 2.

You shall be solely responsible for Your use of the Subscription Offer Codes, including any use by other members of Your App Store Connect team, and for any loss or liability to You or Apple therefrom.

In the event Your Licensed Application is removed from the App Store for any reason, You agree to cease distribution of all Subscription Offer Codes and that Apple may deactivate such Subscription Offer Codes.

You agree that Apple shall have the right to deactivate the Subscription Offer Codes, even if already delivered to End-Users, in the event You violate any of the terms in the Agreement or this Schedule 2.

(d) You must include the following Subscription Offer Code End-User terms in any instrument used to distribute the Subscription Offer Codes to End-Users (e.g., certificate, card, e-mail, coupons, online posts): (i) The code expiration date or while supplies last; (ii) The Territory in which the codes can be redeemed; (iii) Apple ID is required, subject to prior acceptance of license and usage terms; (iv) Codes are not for resale, and have no cash value; (v) Full terms apply; see https://www.apple.com/legal/internet-services/itunes/; and (vi) Offer and content are provided by You.

3.14 Where available, You may offer multiple Licensed Applications offered by You in a single collection ("Bundle") to End-Users at a price tier designated by You as set forth in the App Store Connect tool as may be updated from time to time. Furthermore, You hereby authorize and instruct Apple to enable users who have purchased some but not all Licensed Applications in a Bundle to access and download the remaining items in the Bundle ("Complete My Bundle" or "CMB") for the CMB Price. You will receive proceeds for the CMB Price, which shall equal the Bundle Price set by You less the sum of the retail prices paid by the user for previously purchased Licensed Applications. In the event the CMB Price is less than Tier 1 and greater than zero under the price tiers set forth in the App Store Connect tool, You hereby authorize and instruct Apple to set the CMB Price for that user at Tier 1. In the event the CMB Price is less than zero, You hereby authorize and instruct Apple to provide the remaining Licensed Applications in the Bundle to the End-User without charge. Each CMB transaction will be reflected in Your statement as follows: (i) a new sale of the full Bundle at the price paid for the Bundle, identified as a CMB sale; and (ii) a return (i.e., a negative transaction) for each eligible purchased Licensed Application contained in the Bundle in the amount previously paid for the Licensed Application, each identified as a CMB return. Bundles offered at Tier 0 must offer an auto-renewing subscription service pursuant to Section 3.8 of this Schedule 2 in each Licensed Application included in the Bundle, and users who purchase such subscription service from within one app in the Bundle must be able to access that subscription service in each of the other Licensed Applications in the Bundle at no additional cost.

4. Ownership and End-User Licensing

4.1 The parties acknowledge and agree that Apple shall not acquire any ownership interest in or to any of the Licensed Applications or Licensed Application Information, and title, risk of loss, responsibility for, and control over the Licensed Applications shall, at all times, remain with You. Apple may not use any of the Licensed Applications or Licensed Application Information for any purpose, or in any manner, except as specifically authorized in the Agreement or this Schedule 2.

4.2 You may deliver to Apple Your own EULA for any Licensed Application at the time that You deliver that Licensed Application to Apple, in accordance with Section 2.1 of this Schedule 2; provided, however, that Your EULA must include and may not be inconsistent with the minimum terms and conditions specified on Exhibit D to this Schedule 2, and must comply with all applicable laws in all regions where You wish Apple to allow End-Users to download that Licensed Application. Apple shall enable each End-User to review Your EULA (if any) at the time that Apple delivers that Licensed Application to that End-User, and Apple shall notify each End-User that the End-User's use of that Licensed Application is subject to the terms and conditions of Your EULA (if any). In the event that You do not furnish Your own EULA for any Licensed Application to Apple, You acknowledge and agree that each End-User's use of that Licensed Application shall be subject to Apple's standard EULA (which is part of the App Store Terms of Service).

4.3 You hereby acknowledge that the EULA for each of the Licensed Applications is solely between You and the End-User and conforms to applicable law, and Apple shall not be responsible for, and shall not have any liability whatsoever under, any EULA or any breach by You or any End-User of any of the terms and conditions of any EULA.

5. Content Restrictions and Software Rating

5.1 You represent and warrant that: (a) You have the right to enter into this Agreement, to reproduce and distribute each of the Licensed Applications, and to authorize Apple to permit End-Users to download and use each of the Licensed Applications through one or more App Stores; (b) none of the Licensed Applications, or Apple's or End-Users' permitted uses of those Licensed Applications, violate or infringe any patent, copyright, trademark, trade secret or other intellectual property or contractual rights of any other person, firm, corporation or other entity and that You are not submitting the Licensed Applications to Apple on behalf of one or more third parties; (c) each of the Licensed Applications is authorized for distribution, sale and use in, export to, and import into each of the regions designated by You under Section 2.1 of this Schedule 2, in accordance with the laws and regulations of those regions and all applicable export/import regulations; (d) none of the Licensed Applications contains any obscene, offensive or other materials that are prohibited or restricted under the laws or regulations of any of the regions You designated under Section 2.1 of this Schedule 2; (e) all information You provided using the App Store Connect tool, including any information relating to the Licensed Applications, is accurate and that, if any such information ceases to be accurate, You will promptly update it to be accurate using the App Store Connect tool; and (f) in the event a dispute arises over the content of Your Licensed Applications or use of Your intellectual property on the App Store, You agree to permit Apple to share Your contact information with the party filing such dispute and to follow Apple's app dispute process on a nonexclusive basis and without any party waiving its legal rights.

5.2 You shall use the software rating tool set forth on App Store Connect to supply information regarding each of the Licensed Applications delivered by You for marketing and fulfillment by Apple through the App Store under this Schedule 2 in order to assign a rating to each such Licensed Application. For purposes of assigning a rating to each of the Licensed Applications, You shall use Your best efforts to provide correct and complete information about the content of that Licensed Application with the software rating tool. You acknowledge and agree that Apple is relying on: (i) Your good faith and diligence in accurately and completely providing requested information for each Licensed Application; and (ii) Your representations and warranties in Section 5.1 hereof, in making that Licensed Application available for download by End-Users in each of the regions You designated hereunder. Furthermore, You authorize Apple to correct the rating of any Licensed Application of Yours that has been assigned an incorrect rating; and You agree to any such corrected rating.

5.3 In the event that any region You designated hereunder requires the approval of, or rating of, any Licensed Application by any government or industry regulatory agency as a condition for the distribution, sale and/or use of that Licensed Application, You acknowledge and agree that Apple may elect not to make that Licensed Application available for download by End-Users in that region from any App Store.

5.4 Licensed Applications that are targeted at children or otherwise likely to appeal to children, and which pressure children to make purchases (including, but not limited to, phrases such as "buy now" or "upgrade now") or persuade others to make purchases for them, should not be made available in any Territory that has deemed such marketing practices illegal. You expressly accept and agree to take full responsibility for Your Licensed Applications' compliance with applicable laws pursuant to Section 5.1(c) of this Schedule 2, including without limitation consumer protection, marketing, and gaming laws. For more information on legal requirements of regions in the European Union, see http://ec.europa.eu/justice/consumer-marketing/unfairtrade/index_en.htm.

6. Responsibility and Liability

6.1 Apple shall have no responsibility for the installation and/or use of any of the Licensed Applications by any End-User. You shall be solely responsible for any and all product warranties, End-User assistance and product support with respect to each of the Licensed Applications.

6.2 You shall be solely responsible for, and Apple shall have no responsibility or liability whatsoever with respect to, any and all claims, suits, liabilities, losses, damages, costs and expenses arising from, or attributable to, the Licensed Applications and/or the use of those Licensed Applications by any End-User, including, but not limited to: (i) claims of breach of warranty, whether specified in the EULA or established under applicable law; (ii) product liability claims; and (iii) claims that any of the Licensed Applications and/or the End-User's possession or use of those Licensed Applications infringes the copyright or other intellectual property rights of any third party.

6.3 In the event that Apple receives any notice or claim from any End-User that: (i) the End-User wishes to cancel its license to any of the Licensed Applications within ninety (90) days of the date of download of that Licensed Application by that End-User or the end of the auto-renewing subscription period offered pursuant to section 3.8, if such period is less than ninety (90) days; or (ii) a Licensed Application fails to conform to Your specifications or Your product warranty or the requirements of any applicable law, Apple may refund to the End-User the full amount of the price paid by the End-User for that Licensed Application. In the event that Apple refunds any such price to an End-User, You shall reimburse, or grant Apple a credit for, an amount equal to the price for that Licensed Application. In the event that Apple receives any notice or claim from a payment provider that an End-User has obtained a refund for a Licensed Application, You shall reimburse, or grant Apple a credit for, an amount equal to the price for that Licensed Application.

7. Termination

7.1 This Schedule 2, and all of Apple's obligations hereunder, shall terminate upon the expiration or termination of the Agreement. Notwithstanding any such termination, Apple shall be entitled to: (i) all commissions on all copies of the Licensed Applications downloaded by End-Users prior to the date of

termination (including the phase-out period set forth in Section 1.4 hereof); and (ii) reimbursement from You of refunds paid by Apple to End-Users, whether before or after the date of termination, in accordance with Section 6.3 of this Schedule 2. When the Agreement terminates, Apple may withhold all payments due to You for a period that Apple determines is reasonable in order to calculate and offset any End-User refunds. If at any time Apple determines or suspects that You or any developers with which You are affiliated have engaged in, or encouraged or participated with other developers to engage in, any suspicious, misleading, fraudulent, improper, unlawful or dishonest act or omission, Apple may withhold payments due to You or such other developers.

7.2 In the event that You no longer have the legal right to distribute the Licensed Applications, or to authorize Apple to allow access to those Licensed Applications by End-Users, in accordance with this Schedule 2, You shall promptly notify Apple and withdraw those Licensed Applications from the App Store using the tools provided on the App Store Connect site; provided, however, that such withdrawal by You under this Section 7.2 shall not relieve You of any of Your obligations to Apple under this Schedule 2, or any liability to Apple and/or any End-User with respect to those Licensed Applications.

7.3 Apple reserves the right to cease marketing, offering, and allowing download by End-Users of the Licensed Applications at any time, with or without cause, by providing notice of termination to You. Without limiting the generality of this Section 7.3, You acknowledge that Apple may cease the marketing and allowing download by End-Users of some or all of the Licensed Applications, or take other interim measures in Apple's sole discretion, if Apple reasonably believes that: (i) those Licensed Applications are not authorized for export to one or more of the regions listed on Exhibit A, in accordance with the Export Administration Regulations or other restrictions; (ii) those Licensed Applications and/or any End-User's possession and/or use of those Licensed Applications, infringe patent, copyright, trademark, trade secret or other intellectual property rights of any third party; (iii) the distribution, sale and/or use of those Licensed Applications violates any applicable law in any region You designated under Section 2.1 of this Schedule 2; (iv) You have violated the terms of the Agreement, this Schedule 2, or other documentation including without limitation the App Store Review Guidelines; (v) Your Licensed Applications violate Section 5.4 of this Schedule 2, including without limitation upon notice by a regulator of an alleged violation; or (vi) You or anyone representing You or Your company are subject to sanctions of any region in which Apple operates. An election by Apple to cease the marketing and allowing download of any Licensed Applications, pursuant to this Section 7.3, shall not relieve You of Your obligations under this Schedule 2.

7.4 You may withdraw any or all of the Licensed Applications from the App Store, at any time, and for any reason, by using the tools provided on the App Store Connect site, except that, with respect to Your End-Users, You hereby authorize and instruct Apple to fulfill sections 1.2(b), (c), and (d) of this Schedule 2, which shall survive termination or expiration of the Agreement unless You indicate otherwise pursuant to sections 5.1 and 7.2 of this Schedule 2.

8. Legal Consequences

The relationship between You and Apple established by this Schedule 2 may have important legal and/or tax consequences for You. You acknowledge and agree that it is Your responsibility to consult with Your own legal and tax advisors with respect to Your legal and tax obligations hereunder.

By clicking to agree to this Schedule 3, which is hereby offered to You by Apple, You agree with Apple to amend that certain Apple Developer Program License Agreement currently in effect between You and Apple (the "Agreement") to add this Schedule 3 thereto (supplanting any existing Schedule 3). Except as otherwise provided herein, all capitalized terms shall have the meanings set forth in the Agreement.

Schedule 3

1. Appointment of Agent and Commissionaire

1.1 You hereby appoint Apple and Apple Subsidiaries (collectively "Apple") as: (i) Your agent for the marketing, sale and delivery of Custom Applications via Custom App Distribution to Custom App Distribution Customers and applicable End-Users located in those regions listed on Exhibit A, Section 1 to this Schedule 3, subject to change; and (ii) Your commissionaire for the marketing, sale, and delivery of Custom Applications to Custom App Distribution Customers and applicable End-Users located in those regions listed on Exhibit A, Section 2 to this Schedule 3, subject to change, during the Delivery Period. The most current list of App Store regions among which You may select with respect to Your Custom Applications shall be set forth in the App Store Connect tool and may be updated by Apple from time to time. You hereby acknowledge that Apple will market and make the Custom Applications available for purchase by Custom App Distribution Customers through the Custom App Distribution Site, and downloadable by End-Users or, solely in connection with certain Apple licensed software, by Custom App Distribution Customers using a single Apple ID for distribution to multiple End-Users, for You and on Your behalf.

For purposes of this Schedule 3:

"Content Code(s)" means alphanumeric content codes generated by Apple and distributed to Custom App Distribution Customers that may be redeemed by an End-User for the download of a licensed copy of the Custom Application.

"Custom App Distribution Customer" means a third party that is enrolled in Apple's Volume Content Service and/or Custom App Distribution.

"Custom Application" also includes any additional permitted functionality, content, or services sold by You from within a Custom Application using the In-App Purchase API.

"End-User" includes the individual or Legacy Contacts authorized to use the Custom Application by the institutional purchaser, the institutional administrator responsible for management of installations on shared devices, as well as authorized institutional purchasers themselves, including educational institutions approved by Apple, which may acquire the Custom Applications for use by their employees, agents, and affiliates.

"Licensed Application Information" includes Licensed Application Information associated with a Custom Application.

"Licensed Application" shall include any content, functionality, extensions, stickers, or services offered in the software application.

“Volume Content Service” means an Apple program that offers the ability to obtain Custom Applications and make purchases of Licensed Applications in bulk subject to the Volume Content Terms, conditions, and program requirements.

“You” shall include App Store Connect users authorized by You to submit Licensed Applications and associated metadata on Your behalf.

1.2 In furtherance of Apple’s appointment under Section 1.1 of this Schedule 3, You hereby authorize and instruct Apple to:

(a) market, solicit, and obtain orders on Your behalf for Custom Applications from Custom App Distribution Customers identified by You and their related End-Users in the regions identified in the App Store Connect tool;

(b) provide hosting services to You, in order to allow for the storage of, and End-User access to, the Custom Applications and, solely in connection with certain Apple licensed software, permit third party hosting of such Custom Applications;

(c) make copies of, format, and otherwise prepare Custom Applications for acquisition and download by End-Users, including adding the Security Solution and other optimizations identified in the Agreement;

(d) allow or, in the case of cross-border assignments of Volume Content purchases, arrange for End- Users to access and re-access copies of the Custom Applications, so that End-Users may acquire and electronically download those Custom Applications developed by You, Licensed Application Information, and associated metadata to End-Users through the Custom App Distribution Site. In addition, You hereby authorize distribution of Your Custom Applications under this Schedule 3 for use by: (i) multiple End-Users when the Custom Application is purchased by a single institutional customer via the Volume Content Service for use by its End-Users and/or for installation on devices with no associated Apple IDs that are owned or controlled by that institutional customer in accordance with the Volume Content Terms, conditions, and program requirements; and (ii) eligible Legacy Contacts of an End-User to access Your Custom Application along with associated information and metadata stored in iCloud as described in https://support.apple.com/kb/HT212360;

(e) issue invoices for the purchase price payable by Custom App Distribution Customers for the Custom Applications;

(f) use (i) screen shots and/or up to 30 second excerpts of the Custom Applications; (ii) trademarks and logos associated with the Custom Applications; and (iii) Licensed Application Information, for promotional purposes in marketing materials and in connection with vehicle displays, excluding those portions of the Custom Applications, trademarks or logos, or Custom Application Information which You do not have the right to use for promotional purposes, and which You identify in writing at the time that the Custom Applications are delivered by You to Apple under Section 2.1 of this Schedule 3, and use images and other materials that You may provide to Apple, at Apple’s reasonable request, for promotional purposes in marketing materials and in connection with vehicle displays; and

(g) otherwise use Custom Applications, Licensed Application Information and associated metadata as may be reasonably necessary in the marketing and delivery of the Custom Applications in accordance with this Schedule 3. You agree that no royalty or other compensation is payable for the rights described above in Section 1.2 of this Schedule 3.

1.3 The parties acknowledge and agree that their relationship under this Schedule 3 is, and shall be, that of principal and agent, or principal and commissionaire, as the case may be, as described in Exhibit A, Section 1 and Exhibit A, Section 2, respectively, and that You, as principal, are, and shall be, solely responsible for any and all claims and liabilities involving or relating to, the Custom Applications, as provided in this Schedule 3. The parties acknowledge and agree that Your appointment of Apple as Your agent or commissionaire, as the case may be, under this Schedule 3 is non-exclusive. You hereby represent and warrant that You own or control the necessary rights in order to appoint Apple and Apple Subsidiaries as Your worldwide agent and/or commissionaire for the delivery of Your Custom Applications, and that the fulfillment of such appointment by Apple and Apple Subsidiaries shall not violate or infringe the rights of any third party.

1.4 For purposes of this Schedule 3, the "Delivery Period" shall mean the period beginning on the Effective Date of the Agreement, and expiring on the last day of the Agreement or any renewal thereof; provided, however, that Apple's appointment as Your agent or commissionaire shall survive expiration of the Agreement for a reasonable phase-out period not to exceed thirty (30) days after the final outstanding Content Code for Your Custom Applications has been redeemed and further provided that, solely with respect to Your End-Users, subsections 1.2(b), (c), and (d) of this Schedule 3 shall survive termination or expiration of the Agreement unless You indicate otherwise pursuant to sections 5.1 and 7.2 of this Schedule 3.

2. Delivery of the Custom Applications to Apple

2.1 You will deliver to Apple, at Your sole expense, using the App Store Connect tool, the Custom Applications, Licensed Application Information and associated metadata, in a format and manner prescribed by Apple, as required for the delivery of the Custom Applications to End-Users in accordance with this Schedule 3 and will identify this material as a Custom Application via the App Store Connect site. Metadata You deliver to Apple under this Schedule 3 will include: (i) the title and version number of each of the Custom Applications; (ii) the Custom App Distribution Customers You designate as authorized purchasers of the Custom Application and whose End-Users may use the Content Codes; (iii) any copyright or other intellectual property rights notices; (iv) Your privacy policy; (v) Your End-User license agreement ("EULA"), if any, in accordance with Section 4.2 of this Schedule 3; and (vi) any additional metadata set forth in the Documentation and/or the App Store Connect tool as may be updated from time to time, including metadata designed to enhance search and discovery for content on Apple-branded hardware.

2.2 All Custom Applications will be delivered by You to Apple using software tools, a secure FTP site address and/or such other delivery methods as prescribed by Apple.

2.3 You hereby certify that all of the Custom Applications You deliver to Apple under this Schedule 3 are authorized for export from the United States to each of the regions listed on Exhibit A, in accordance with the requirements of all applicable laws, including but not limited to the United States Export Administration Regulations, 15 C.F.R. Parts 730-774. You further represent and warrant that all versions of the Custom Applications You deliver to Apple are not subject to the International Traffic In Arms Regulations 22 C.F.R. Parts 120-130 and are not designed, made, modified or configured for any military

end users or end uses. Without limiting the generality of this Section 2.3, You certify that (i) none of the Custom Applications contains, uses or supports any data encryption or cryptographic functions; or (ii) in the event that any Custom Application contains, uses or supports any such data encryption or cryptographic functionality, You will upon request provide Apple with PDF copies of export classification ruling (CCATS) issued by the United States Commerce Department, Bureau of Industry and Security ("BIS") or any self-classification reports submitted to the BIS, and appropriate authorizations from other regions that mandate import authorizations for that Custom Application, as required. You acknowledge that Apple is relying upon Your certification in this Section 2.3 in allowing End-Users to access and download the Custom Applications under this Schedule 3. Except as provided in this Section 2.3, Apple will be responsible for compliance with the requirements of the Export Administration Regulations in allowing End-Users to access and download the Custom Applications under this Schedule 3.

2.4 You shall be responsible for determining and implementing any age ratings or parental advisory warnings required by the applicable government regulations, ratings board(s), service(s), or other organizations (each a "Ratings Board") for any video, television, gaming or other content offered in Your Custom Application for each locality in the Territory. Where applicable, You shall also be responsible for providing any content restriction tools or age verification functionality before enabling end-users to access mature or otherwise regulated content within Your Custom Application.

3. Delivery of the Custom Applications to End-Users

3.1 You acknowledge and agree that Apple, in the course of acting as agent and/or commissionaire for You, is hosting the Custom Applications, providing Content Codes to Custom App Distribution Customers, and is allowing the download of the Custom Applications by End-Users, on Your behalf. However, You are responsible for hosting and delivering content or services sold by You using the In-App Purchase API, except for content that is included within the Custom Application itself (i.e., the In-App Purchase simply unlocks the content) or content hosted by Apple pursuant to Section 3.3 of the Program Agreement. All of the Custom Applications shall be marketed by Apple, on Your behalf, to End-User Custom App Distribution Customers at prices identified in a price tier and designated by You, in Your sole discretion, from the pricing schedule set forth in the App Store Connect tool, which may be updated from time to time by Apple. You may change the price tier for any Custom Application at any time, at Your discretion, in accordance with the pricing schedule set forth in the App Store Connect tool. As Your agent and/or commissionaire, Apple shall be solely responsible for the collection of all prices payable by Custom App Distribution Customers for Custom Applications acquired by End-Users under this Schedule 3.

3.2 In the event that the sale or delivery of any of the Custom Applications to any End-User is subject to any sales, use, goods and services, value added, telecommunications or other similar tax or levy, under applicable law, responsibility for the collection and remittance of that tax for sales of the Custom Applications to End-Users will be determined in accordance with Exhibit B to this Schedule 3 as updated from time to time via the App Store Connect site. You are solely responsible for selecting and maintaining accurate inputs for tax categorization for Your Custom Applications via the App Store Connect site, which may be updated from time to time. Such tax categorization will be applied to the sale and delivery of Your Custom Applications. Any adjustments that You make to the tax categorization for Your Custom Applications will take effect for future sales of Custom Applications after Apple has processed the adjustment within a reasonable period of time. Adjustments that You make to the tax categorization for Your Custom Applications will not apply to any sales of Custom Applications occurring before Apple has processed Your tax categorization adjustment.

If the tax categorization of Your Custom Applications is deemed to be inaccurate by any tax authority, You are solely responsible for the tax consequences. If Apple deems in its reasonable discretion that the tax categorization of Your Custom Applications is inaccurate, Apple reserves the right to hold in trust amounts owed to You, until such time as You correct the tax categorization. Upon correction of the tax categorization, Apple will deduct any penalties and interest resulting from the inaccuracy, and remit to You any remaining amounts held in trust by Apple for You, without interest, in accordance with the provisions of this Schedule 3. You shall indemnify and hold Apple harmless against any and all claims by any tax authority for any underpayment or overpayment of any sales, use, goods and services, value added, telecommunications or other tax or levy, and any penalties and/or interest thereon.

3.3 In furtherance of the parties' respective tax compliance obligations, Apple requires that You comply with the requirements listed on Exhibit C to this Schedule 3 or on App Store Connect depending upon, among other things, (i) Your region of residence, and (ii) the regions designated by You in which You wish Apple to allow sale of and access to the Custom Applications. In the event that Apple collects any amounts corresponding to the purchase price for any of Your Custom Applications before You have provided Apple with any tax documentation required under Exhibit C to this Schedule 3, Apple may decide to not remit those amounts to You, and to hold those amounts in trust for You, until such time as You have provided Apple with the required tax documentation. Upon receipt of all required tax documents from You, Apple will remit to You any amounts held in trust by Apple for You, without interest, under this Section 3.3, in accordance with the provisions of this Schedule 3.

3.4 Apple shall be entitled to the following commissions in consideration for its services as Your agent and/or commissionaire under this Schedule 3:

For sales of Custom Applications to Custom App Distribution Customers, Apple shall be entitled to a commission equal to thirty percent (30%) of all prices payable by each Custom App Distribution Customer. Solely for auto-renewing subscription purchases made by customers who have accrued greater than one year of paid subscription service within a Subscription Group (as defined below) and notwithstanding any Retention Grace Periods or Renewal Extension Periods, Apple shall be entitled to a commission equal to fifteen percent (15%) of all prices payable by each End-User for each subsequent renewal. Retention Grace Period refers to the time period between the end of a customer's subscription (e.g., due to cancelation or non-payment) and the beginning of a new subscription within the same Subscription Group, provided that such time period is no greater than 60 days, subject to change. Renewal Extension Period refers to the time by which You extend the renewal date of the customer's subscription, without additional charges. For purposes of determining the commissions to which Apple is entitled under this Section 3.4, the prices payable by Custom App Distribution Customers shall be net of any and all taxes collected, as provided in Section 3.2 of this Schedule 3.

Except as otherwise provided in Section 3.2 of this Schedule 3, Apple shall be entitled to the commissions specified in Section 3.4 hereof without reduction for any taxes or other government levies, including any and all taxes or other, similar obligations of You, Apple or any Custom App Distribution Customer relating to the delivery or use of the Custom Applications. For sales of Licensed Applications and/or Custom Applications developed by Apple, Apple is not entitled to a commission.

3.5 Upon collection of any amounts from any Custom App Distribution Customer as the price for any Custom Application delivered to that Custom App Distribution Customer's designated End-Users hereunder, Apple shall deduct the full amount of its commission with respect to that Custom Application, and any taxes collected by Apple under Section 3.2 and 3.4 hereof, and shall remit to You, or issue a credit in Your favor, as the case may be, the remainder of those prices in accordance with Apple standard business practices, including the following: remittance payments (i) are made by means of wire transfer only; (ii) are subject to minimum monthly remittance amount thresholds; (iii) require You to provide certain remittance-related information on the App Store Connect site; and (iv) subject to the foregoing requirements, will be made no later than forty-five (45) days following the close of the monthly period in which the corresponding amount was received by Apple from the End-User. No later than forty-five (45) days following the end of each monthly period, Apple will make available to You on the App Store Connect site a sales report in sufficient detail to permit You to identify the Custom Applications sold in that monthly period and the total amount to be remitted to You by Apple. You hereby acknowledge and agree that Apple shall be entitled to a commission, in accordance with this Section 3.5 on the delivery of any Content Codes to any Custom App Distribution Customer, even if Apple is unable to collect the price for that Custom Application from the Custom App Distribution Customer. In the event that the purchase price received by Apple from any Custom App Distribution Customer for any Custom Application is in a currency other than the remittance currency agreed between Apple and You, the purchase price for that Custom Application shall be converted to the remittance currency, and the amount to be remitted by Apple to You shall be determined, in accordance with an exchange rate fixed for the Delivery Period, as reflected in the App Store Connect tool, as may be updated from time to time, pursuant to section 3.1 of this Schedule 3. Apple may provide a means on App Store Connect to enable You to designate a primary currency for the bank account designated by You for receiving remittances ("Designated Currency"). Apple may cause Apple's bank to convert all remittances in any remittance currency other than the Designated Currency into the Designated Currency prior to remittance to You. You agree that any resulting currency exchange differentials or fees charged by Apple's bank may be deducted from such remittances. You remain responsible for any fees (e.g., wire transfer fees) charged by Your bank or any intermediary banks between Your bank and Apple's bank.

3.6 In the event that Apple's commission or any price payable by any Custom App Distribution Customer for any of the Custom Applications is subject to (i) any withholding or similar tax; or (ii) any sales, use, goods and services, value added, telecommunications or other tax or levy not collected by Apple under Section 3.2 hereof; or (iii) any other tax or other government levy of whatever nature, the full amount of that tax or levy shall be solely for Your account, and shall not reduce the commission to which Apple is entitled under this Schedule 3.

3.7 In the event that any remittance made by Apple to You is subject to any withholding or similar tax, the full amount of that withholding or similar tax shall be solely for Your account, and will not reduce the commission to which Apple is entitled on that transaction. If Apple reasonably believes that such tax is due, Apple will deduct the full amount of such withholding or similar tax from the gross amount owed to You, and will pay the full amount withheld over to the competent tax authorities. Apple will apply a reduced rate of withholding tax, if any, provided for in any applicable income tax treaty only if You furnish Apple with such documentation required under that income tax treaty or otherwise satisfactory to Apple, sufficient to establish Your entitlement to the benefit of that reduced rate of withholding tax. Upon Your timely request to Apple in writing, using means reasonably designated by Apple, Apple will use commercially practical efforts to report to You the amount of Apple's payment of withholding or similar taxes to the competent tax authorities on Your behalf. You will indemnify and hold Apple harmless

against any and all claims by any competent tax authority for any underpayment of any such withholding or similar taxes, and any penalties and/or interest thereon, including, but not limited to, underpayments attributable to any erroneous claim or representation by You as to Your entitlement to, or Your disqualification for, the benefit of a reduced rate of withholding tax.

3.8 You may offer auto-renewing subscriptions in select Territories using the In-App Purchase API subject to the terms of this Schedule 3, provided that:

(a) Auto-renew functionality must be on a weekly, monthly, bi-monthly, tri-monthly, semi-annual, or annual basis at prices You select in the App Store Connect tool. You may, however, offer more than one option.

(b) You clearly and conspicuously disclose to users the following information regarding Your auto- renewing subscription:

- Title of auto-renewing subscription, which may be the same as the in-app product name
- Length of subscription
- Price of subscription, and price per unit if appropriate

Links to Your Privacy Policy and Terms of Use must be accessible within Your Licensed Application or Custom Application.

(c) You must fulfill the offer during the entire subscription period, as marketed, including any Billing Grace period You authorize, and, in the event You breach this section 3.8(c) of Schedule 3, You hereby authorize and instruct Apple to refund to the End-User the full amount, or any portion thereof in Apple's sole discretion, of the price paid by the End-User for that subscription. Billing Grace Period refers to the period during which Developers agree to provide paid service for free to users who do not recover from a billing error. In the event that Apple refunds any such price to an End-User, You shall reimburse, or grant Apple a credit for, an amount equal to the price for that subscription. You acknowledge that Apple may exercise its rights under section 7.3 of this Schedule 3 for repeated violations of this provision.

3.9 When You make price changes to an existing subscription item, You may elect to retain current pricing for Your existing customers by indicating Your intent in the App Store Connect tool. When You increase pricing for existing subscribers in regions that require end-user consent, they will be prompted to review and agree to the new price, otherwise the auto-renewal feature will be disabled.

3.10 To the extent You promote and offer for sale auto-renewing subscriptions within or outside of Your Custom Application, You must do so in compliance with all legal and regulatory requirements.

3.11 Subscription services purchased within Custom Applications must use In-App Purchase, which will be charged to the End-User iTunes account, not the Custom App Distribution Customer account.

In addition to using the In-App Purchase API, a Custom Application may read or play content (magazines, newspapers, books, audio, music, video) that is offered outside of the Custom Application (such as, by way of example, through Your website) provided that You do not link to or market external offers for such content within the Custom Application. You are responsible for authentication access to content acquired outside of the Custom Application.

3.12 If Your Custom Application is periodical content-based (e.g. magazines and newspapers), Apple may provide You with the name, email address, and zip code associated with an End-User's account when they purchase an auto-renewing subscription via the In-App Purchase API, provided that such user consents to the provision of data to You, and further provided that You may only use such data to promote Your own products and otherwise in strict compliance with Your publicly posted Privacy Policy, a copy of which must be readily viewed through and is consented to in Your Custom Application. You may offer a free incentive to extend the subscription if the user agrees to send this information.

4. Ownership and End-User Licensing

4.1 The parties acknowledge and agree that Apple shall not acquire any ownership interest in or to any of the Custom Applications or Licensed Application Information, and title, risk of loss, responsibility for, and control over the Custom Applications shall, at all times, remain with You. Apple may not use any of the Custom Applications or Licensed Application Information for any purpose, or in any manner, except as specifically authorized in this Schedule 3.

4.2 You may deliver to Apple Your own EULA for any Custom Application at the time that You deliver that Custom Application to Apple, in accordance with Section 2.1 of this Schedule 3; provided, however, that Your EULA must include and may not be inconsistent with the minimum terms and conditions specified on Exhibit D to this Schedule 3, and must comply with all applicable laws in the United States. Apple shall allow each End-User to which Apple allows access to any such Custom Application to review Your EULA (if any) at the time that Apple delivers that Custom Application to that End-User, and Apple shall notify each End-User that the End-User's use of that Custom Application is subject to the terms and conditions of Your EULA (if any). In the event that You do not furnish Your own EULA for any Custom Application to Apple, You acknowledge and agree that each End-User's use of that Custom Application shall be subject to Apple's standard EULA (which is part of the App Store Terms of Service).

4.3 You hereby acknowledge that the EULA for each of the Custom Applications is solely between You and the End-User and conforms to applicable law, and Apple shall not be responsible for, and shall not have any liability whatsoever under, any EULA or any breach by You or any End-User of any of the terms and conditions of any EULA.

5. Content Restrictions and Software Rating

5.1 You represent and warrant that: (a) You have the right to enter into this Agreement, to reproduce and distribute each of the Custom Applications, and to authorize Apple to permit End-Users to download and use each of the Custom Applications through the Custom App Distribution Site; (b) none of the Custom Applications, or Apple's or End-Users' permitted uses of those Custom Applications, violate or infringe any patent, copyright, trademark, trade secret or other intellectual property or contractual rights of any other person, firm, corporation or other entity and that You are not submitting the Custom Applications to Apple on behalf of one or more third parties other than under license grant from one or more Custom App Distribution Customers; (c) each of the Custom Applications is authorized for distribution, sale and use in, export to, and import into each of the regions designated by You pursuant to Section 2.1 of this Schedule 3, in accordance with the laws and regulations of those regions and all applicable export/import regulations; (d) none of the Custom Applications contains any obscene, offensive or other materials that are prohibited or restricted under the laws or regulations of any of the regions You designated pursuant to Section 2.1 of this Schedule 3; (e) all information You provided using the App

Store Connect tool, including any information relating to the Custom Applications, is accurate and that, if any such information ceases to be accurate, You will promptly update it to be accurate using the App Store Connect tool; and (f) in the event a dispute arises over the content of Your Custom Applications or use of Your intellectual property in connection with the Custom App Distribution Site, You agree to permit Apple to share Your contact information with the party filing such dispute and to follow Apple's app dispute process on a non-exclusive basis and without any party waiving its legal rights.

5.2 You shall use the software rating tool set forth on App Store Connect to supply information regarding each of the Custom Applications delivered by You for marketing and fulfillment by Apple through the Custom App Distribution Site under this Schedule 3 in order to assign a rating to each such Custom Application. For purposes of assigning a rating to each of the Custom Applications, You shall use Your best efforts to provide correct and complete information about the content of that Custom Application with the software rating tool. You acknowledge and agree that Apple is relying on: (i) Your good faith and diligence in accurately and completely providing requested information for each Custom Application; and (ii) Your representations and warranties in Section 5.1 hereof, in making that Custom Application available for download by End-Users in each of the regions You designated hereunder. Furthermore, You authorize Apple to correct the rating of any Custom Application of Yours that has been assigned an incorrect rating; and You agree to any such corrected rating.

5.3 In the event that any region You designated hereunder requires the approval of, or rating of, any Custom Application by any government or industry regulatory agency as a condition for the distribution, sale and/or use of that Custom Application, You acknowledge and agree that Apple may elect not to make that Custom Application available for purchase by Custom App Distribution Customers and/or download by End-Users in that region from the Custom App Distribution Site.

5.4 Custom Applications that are targeted at children or otherwise likely to appeal to children, and which pressure children to make purchases (including, but not limited to, phrases such as "buy now" or "upgrade now") or persuade others to make purchases for them, should not be made available in any Territory that has deemed such marketing practices illegal. You expressly accept and agree to take full responsibility for Your Custom Applications' compliance with applicable laws pursuant to Section 5.1(c) of this Schedule 3, including without limitation consumer protection, marketing, and gaming laws. For more information on legal requirements of regions in the European Union, see http://ec.europa.eu/justice/consumer-marketing/unfairtrade/index_en.htm.

6. Responsibility and Liability

6.1 Apple shall have no responsibility for the installation and/or use of any of the Custom Applications by any End-User. You shall be solely responsible for any and all product warranties, End-User assistance and product support with respect to each of the Custom Applications.

6.2 You shall be solely responsible for, and Apple shall have no responsibility or liability whatsoever with respect to, any and all claims, suits, liabilities, losses, damages, costs and expenses arising from, or attributable to, the Custom Applications and/or the use of those Custom Applications by any End-User, including, but not limited to: (i) claims of breach of warranty, whether specified in the EULA or established under applicable law; (ii) product liability claims; and (iii) claims that any of the Custom Applications and/or the End-User's possession or use of those Custom Applications infringes the copyright or other intellectual property rights of any third party.

6.3 In the event that Apple receives any notice or claim from any End-User that: (i) the End-User wishes to cancel its license to any of the Custom Applications within ninety (90) days of the date of download of that Custom Application by that End-User or the end of the auto-renewing subscription period offered pursuant to section 3.8 if such period is less than ninety (90) days; or (ii) a Custom Application fails to conform to Your specifications or Your product warranty or the requirements of any applicable law, Apple may refund to the Custom App Distribution Customer and/or End-User, as applicable, the full amount of the price paid by the Custom App Distribution Customer or End-User for that Custom Application. In the event that Apple refunds any such price to an End-User, You shall reimburse, or grant Apple a credit for, an amount equal to the price for that Custom Application. In the event that Apple receives any notice or claim from a payment provider that an End-User has obtained a refund for a Custom Application, You shall reimburse, or grant Apple a credit for, an amount equal to the price for that Custom Application.

7. Termination

7.1 This Schedule 3, and all of Apple's obligations hereunder, shall terminate upon the expiration or termination of the Agreement. Notwithstanding any such termination, Apple shall be entitled to: (i) all commissions on all Content Codes redeemable for copies of the Custom Applications provided to Custom App Distribution Customers prior to the date of termination (including the phase-out period set forth in Section 1.4 hereof); and (ii) reimbursement from You of refunds paid by Apple to Custom App Distribution Customers and/or End-Users, whether before or after the date of termination, in accordance with Section 6.3 of this Schedule 3. When the Agreement terminates, Apple may withhold all payments due to You for a period that Apple determines is reasonable in order to calculate and offset any Custom App Distribution Customer and/or End-User refunds. If at any time Apple determines or suspects that You or any developers with which You are affiliated have engaged in, or encouraged or participated with other developers to engage in, any suspicious, misleading, fraudulent, improper, unlawful or dishonest act or omission, Apple may withhold payments due to You or such other developers.

7.2 In the event that You no longer have the legal right to distribute the Custom Applications, or to authorize Apple to allow access to those Custom Applications by End-Users, in accordance with this Schedule 3, You shall promptly notify Apple and withdraw those Custom Applications from the Custom App Distribution Site using the tools provided on the App Store Connect tool; provided, however, that such withdrawal by You under this Section 7.2 shall not relieve You of any of Your obligations to Apple under this Schedule 3, or any liability to Apple and/or any End-User with respect to those Custom Applications.

7.3 Apple reserves the right to cease marketing, offering, and allowing purchase by Custom App Distribution Customers and download by End-Users of the Custom Applications at any time, with or without cause, by providing notice of termination to You. Without limiting the generality of this Section 7.3, You acknowledge that Apple may cease the marketing and allowing download by End-Users of some or all of the Custom Applications if Apple reasonably believes that: (i) those Custom Applications are not authorized for export to one or more of the regions listed on Exhibit A, in accordance with the Export Administration Regulations or other restrictions; (ii) those Custom Applications and/or any End-User's possession and/or use of those Custom Applications, infringe patent, copyright, trademark, trade secret or other intellectual property rights of any third party; (iii) the distribution, sale and/or use of those Custom Applications violates any applicable law in any region You designated pursuant to Section 2.1 of this Schedule 3; (iv) You have violated the terms of the Agreement, this Schedule 3, or other

documentation including without limitation the App Store Review Guidelines; (v) Your Custom Applications violate Section 5.4 of this Schedule 3, including without limitation upon notice by a regulator of an alleged violation; or (vi) You or anyone representing You or Your company are subject to sanctions of any region in which Apple operates. An election by Apple to cease the marketing and allowing download of any Custom Applications, pursuant to this Section 7.3, shall not relieve You of Your obligations under this Schedule 3.

7.4 You may withdraw any or all of the Custom Applications from the Custom App Distribution Site, at any time, and for any reason, by using the tools provided on the App Store Connect site, except that, with respect to Your End-Users, You hereby authorize and instruct Apple to fulfill any outstanding Content Code redemption requests by End-Users and to fulfill sections 1.2(b), (c), and (d) of this Schedule 3, which shall survive termination or expiration of the Agreement unless You indicate otherwise pursuant to sections 5.1 and 7.2 of this Schedule 3.

8. Legal Consequences

The relationship between You and Apple established by this Schedule 3 may have important legal and/or tax consequences for You. You acknowledge and agree that it is Your responsibility to consult with Your own legal and tax advisors with respect to Your legal and tax obligations hereunder.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
Life360, Inc	
ABN	**Quarter ended ("current quarter")**
629 412 942	March 31, 2022

Consolidated statement of cash flows		**Current quarter $US'000**	**Year to date (3 months) $US'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	50,253	50,253
1.2	Payments for		
	(a) research and development	(7,030)	(7,030)
	(b) product manufacturing and operating costs	(13,491)	(13,491)
	(c) advertising and marketing	(11,977)	(11,977)
	(d) leased assets	(744)	(744)
	(e) staff costs	(17,871)	(17,871)
	(f) administration and corporate costs	(11,577)	(11,577)
1.3	Dividends received (see note 3)		
1.4	Interest received	3	3
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Payments for cost of revenue	(9,262)	(9,262)
1.9	**Net cash from / (used in) operating activities**	**(21,696)**	**(21,696)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) acquisition, net of cash acquired	(112,306)	(112,306)
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		

Consolidated statement of cash flows		Current quarter $US'000	Year to date (3 months) $US'000
	(f) Cash advance on convertible note receivable in connection with an acquisition		
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(112,306)**	**(112,306)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options and settlement of RSUs	793	793
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Cash paid for deferred offering costs	(5)	(5)
3.10	Transaction costs relating to capital raising	85	85
3.11	**Net cash from / (used in) financing activities**	**873**	**873**

Consolidated statement of cash flows		Current quarter $US'000	Year to date (3 months) $US'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	231,345	231,345
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(21,696)	(21,696)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(112,306)	(112,306)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	873	873
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**98,216**	**98,216**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $US'000	Previous quarter $US'000
5.1	Bank balances	82,717	231,142
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)[1]	15,499	203
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**98,216**	**231,345[2]**

[1]Other relates to escrow funds in connection with acquisitions and security deposits.

[2] Prior quarter cash position included the funds from the capital raise in connection with the acquisition of Tile,Inc.

6.	Payments to related parties of the entity and their associates	Current quarter $US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	107[3]
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

[3] Related party payments of $100,000 were paid to Carthona Capital for consultancy services and $6,500 to a spouse of an executive for services relating to a marketing campaign.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $US'000**	**Amount drawn at quarter end $US'000**
7.1	Loan facilities	0	0
7.2	Credit standby arrangements	0	0
7.3	Other (please specify)	0	0
7.4	**Total financing facilities**	0	0

7.5	**Unused financing facilities available at quarter end**	0

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8.	**Estimated cash available for future operating activities**	**$US'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(21,696)
8.2	Cash and cash equivalents at quarter end (item 4.6)	98,216
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	98,216
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	5

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:
N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:
N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:
N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: .....June 14, 2022.....

Authorised by: ....
(Audit and Risk Committee Chair)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.