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As filed with the Securities and Exchange Commission on February 16, 2018.

Registration No. 333-

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

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

ZSCALER, INC.
(Exact name of Registrant as specified in its charter)

Delaware	7371	26-1173892
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

110 Rose Orchard Way
San Jose, California 95134
(408) 533-0288
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Jagtar S. Chaudhry
President, Chief Executive Officer and Chairman
Zscaler, Inc.
110 Rose Orchard Way
San Jose, California 95134
(408) 533-0288
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Raj S. Judge, Esq. Mark B. Baudler, Esq. Lianna C. Whittleton, Esq. Wilson Sonsini Goodrich & Rosati, P.C. 650 Page Mill Road Palo Alto, California 94304 (650) 493-9300	Robert Schlossman, Esq. Chief Legal Officer Zscaler, Inc. 110 Rose Orchard Way San Jose, California 95134 (408) 533-0288	Andrew S. Williamson, Esq. Charles S. Kim, Esq. Dave Peinsipp Cooley LLP 101 California Street, 5th Floor San Francisco, California 94111 (415) 693-2000

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

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

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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. (Check one):

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐
	Emerging growth company ☒

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common Stock, $0.001 par value per share	$100,000,000	$12,450

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act.
(2) Includes the aggregate offering price of additional shares that the underwriters have the option to purchase solely to cover over-allotments, if any.

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

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS (Subject to Completion)
Issued , 2018

Shares

COMMON STOCK

Zscaler, Inc. is offering shares of its common stock. This is our initial public offering, and no public market currently exists for our shares. We anticipate that the initial public offering price will be between $ and $ per share.

We have applied to list our common stock on The Nasdaq Global Market under the symbol "ZS".

Upon completion of this offering, our executive officers, directors, current 5% or greater stockholders and affiliated entities will together beneficially own approximately % of our common stock outstanding after this offering (or % if the underwriters exercise their over-allotment option in full), with Jay Chaudhry, our president, chief executive officer and chairman of our board of directors and affiliates of Mr. Chaudhry beneficially owning approximately % of our common stock (or % if the underwriters exercise their over-allotment option in full), as described in the section titled "Risk Factors—Risks Related to the Offering and Ownership of our Common Stock —The concentration of our stock ownership with insiders will likely limit your ability to influence corporate matters, including the ability to influence the outcome of director elections and other matters requiring stockholder approval."

We are an "emerging growth company" as defined under the federal securities laws. Investing in our common stock involves risks. See "Risk Factors" beginning on page 17.

PRICE $ A SHARE

	Price to Public	***Underwriting Discounts and Commission(1)***	***Proceeds to Zscaler***
Per Share	*$*	*$*	*$*
Total	*$*	*$*	*$*

(1) See "Underwriting" for a description of the compensation payable to the underwriters.

We have granted the underwriters the right to purchase up to an additional shares of common stock solely to cover over-allotments, if any.

Certain entities associated with Charles Giancarlo, Lane Bess, Scott Darling and Karen Blasing, each a member of our board of directors, have indicated an interest in purchasing up to an aggregate of approximately $5.0 million of shares of our common stock in this offering (or an aggregate of shares based on the midpoint of the estimated offering price range set forth on the cover page of this prospectus) at the initial public offering price. Because these indications of interest are not binding agreements or commitments to purchase, the underwriters could determine to sell more, less or no shares to any of these potential investors and any of these potential investors could determine to purchase more, less or no shares in this offering. The underwriters will receive the same discount from any shares sold to these existing stockholders as they will from any other shares sold to the public in this offering.

The Securities and Exchange Commission and state regulators have not approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock to purchasers on , 2018.

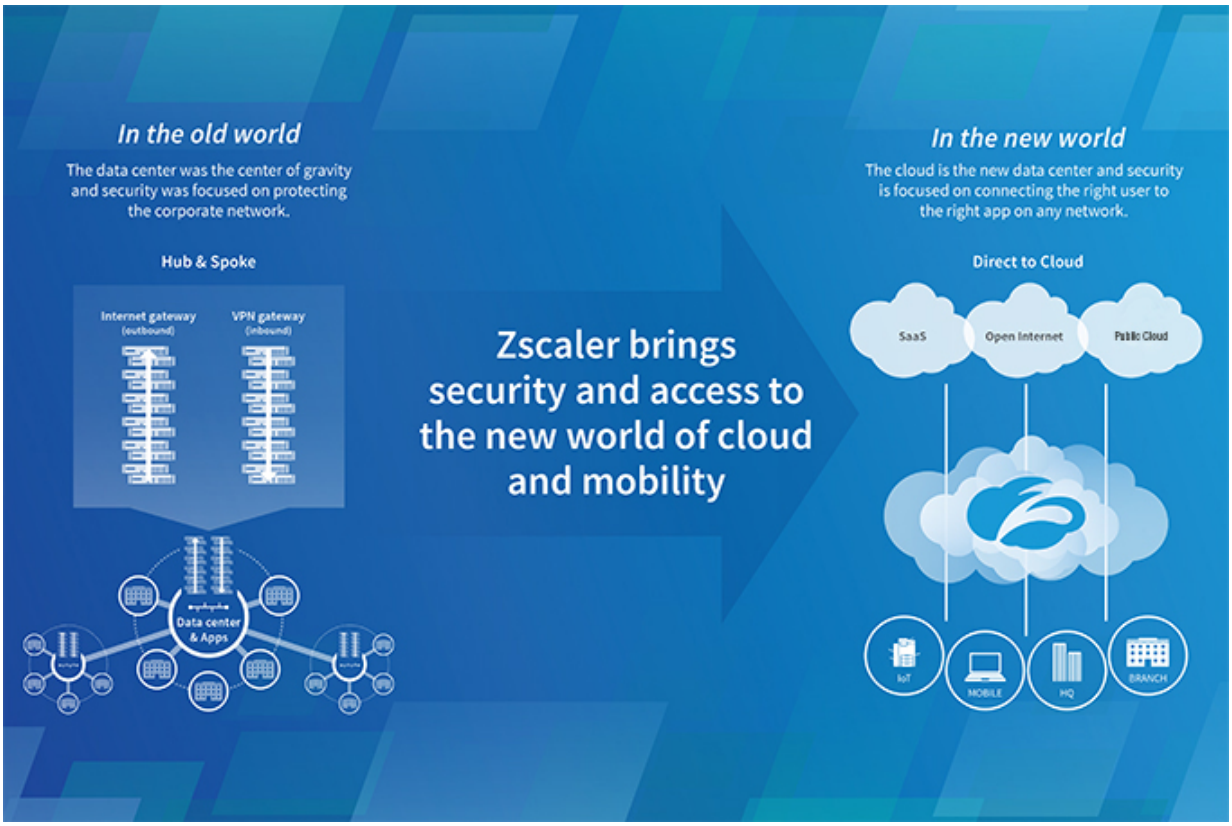
MORGAN STANLEY *GOLDMAN SACHS & CO. LLC*

BofA MERRILL LYNCH *BARCLAYS* *DEUTSCHE BANK SECURITIES* *CREDIT SUISSE* *UBS INVESTMENT BANK*

BAIRD *BTIG* *NEEDHAM & COMPANY* *STEPHENS INC.*

, 2018


Applications have moved
out of the data center and
into the cloud.
Users have moved
off the corporate network and are
connecting from everywhere.
Security is still sitting
in the data center.
It's time to
move security.
zscaler™


In the old world
The data center was the center of gravity and security was focused on protecting the corporate network.
Hub & Spoke
Internet gateway (outbound)
VPN gateway (inbound)
Data center & Apps
Zscaler brings security and access to the new world of cloud and mobility
In the new world
The cloud is the new data center and security is focused on connecting the right user to the right app on any network.
Direct to Cloud
SaaS
Open Internet
Public Cloud
IoT
MOBILE
HQ
BRANCH

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Through and including , 2018 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

Neither we nor the underwriters have authorized anyone to provide you with information or make any representations other than those contained in this prospectus or in any free writing prospectus we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under the circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock.

For investors outside of the United States: Neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus outside of the United States.

PROSPECTUS SUMMARY

This summary highlights selected information that is presented in greater detail elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, including the sections titled "Risk Factors," "Selected Consolidated Financial and Other Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" and our consolidated financial statements and the related notes included elsewhere in this prospectus, before making an investment decision. Unless the context otherwise requires, the terms "Zscaler," "the company," "we," "us" and "our" in this prospectus refer to Zscaler, Inc. and its consolidated subsidiaries. Our fiscal year end is July 31, and our fiscal quarters end on October 31, January 31, April 30 and July 31. Our fiscal years ended July 31, 2015, 2016 and 2017 are referred to herein as fiscal 2015, fiscal 2016 and fiscal 2017, respectively. Our fiscal year ending July 31, 2018 is referred to herein as fiscal 2018.

ZSCALER, INC.

Mission Statement

Our mission is to empower organizations to realize the full potential of the cloud and mobility by securely connecting users to applications from any device, anywhere.

Overview

Zscaler was incorporated in 2007, during the early stages of cloud adoption and mobility, based on a vision that the internet would become the new corporate network as the cloud becomes the new data center. We predicted that with rapid cloud adoption and increasing workforce mobility, traditional perimeter security approaches would provide inadequate protection for users and data and an increasingly poor user experience. We pioneered a security cloud that represents a fundamental shift in the architectural design and approach to network security.

Enterprise applications are rapidly moving to the cloud to achieve greater IT agility, a faster pace of innovation and lower costs. Organizations are increasingly relying on internet destinations for a range of business activities, adopting new external SaaS applications for critical business functions and moving their internally managed applications to the public cloud, commonly known as Infrastructure-as-a-Service, or IaaS. Enterprise users now expect to be able to seamlessly access applications and data, wherever they are hosted, from any device, anywhere in the world. We believe these trends are indicative of the broader digital transformation agenda, as businesses increasingly succeed or fail based on their IT outcomes.

We believe that securing the on-premises corporate network to protect users and data is becoming increasingly irrelevant in a cloud and mobile-first world where organizations depend on the internet, a network they do not control and cannot secure, to access critical applications that power their business. We pioneered a new approach to security that connects the right user to the right application, regardless of network. Our cloud platform, which delivers security as a service, eliminates the need for traditional on-premises security appliances that are difficult to maintain and require compromises between security, cost and user experience. Our cloud platform incorporates the security functionality needed to enable users to safely utilize authorized applications and services based on an organization's policies. Our solution is a purpose-built, multi-tenant, distributed cloud security platform that secures access for users and devices to applications and services, regardless of location.

Our multi-tenant architecture is distributed across more than 100 data centers globally, which allows us to secure users across 185 countries. Each day, we block over 100 million threats and perform over 120,000 unique

security updates. Our customers benefit from the network effect of our growing cloud because once a new threat is detected, it can be blocked for users across our entire customer base within minutes.

We have over 2,800 customers across all major geographies, and we currently count over 200 of the Forbes Global 2000 as customers. Our customers span every major industry, including airlines and transportation, conglomerates, consumer goods and retail, financial services, healthcare, manufacturing, media and communications, public sector and education, technology and telecommunications services.

Although we have a channel sales model, we use a joint sales approach in which our sales force develops relationships directly with our customers and engages at senior levels within IT organizations. We amplify our sales presence and effectiveness by leveraging our network of global telecommunications service provider, system integrator and value-added reseller partners. Many of these channel partners engage at the C-level to discuss strategic network transformation and cloud migration projects, and we work with these channel partners to deliver security solutions to their most important enterprise customers. Our service provider partners include us as an integral part of broad network transformation projects. Systems integrators bring us into customers as part of their cloud application migration programs. We also work with high-touch value-added resellers to broaden our reach to mid-market customers.

For fiscal 2015, 2016 and 2017, revenue was $53.7 million, $80.3 million and $125.7 million, respectively. Our net losses were $12.8 million, $27.4 million and $35.5 million in fiscal 2015, 2016 and 2017, respectively. For the six months ended January 31, 2017 and 2018, our revenue increased from $56.2 million to $84.8 million, representing a period-over-period revenue growth of 51%, while our net loss increased from $14.6 million to $17.9 million. We expect we will continue to incur net losses for the foreseeable future.

Industry Background

Traditional security approaches focused on establishing a perimeter around the corporate network

For over 30 years, IT security focused on protecting an organization by establishing a perimeter to secure the corporate network. This approach was based on the premise that all enterprise users, data and applications resided on the corporate network. To meet the requirements of this approach, organizations:

- *Deployed a "castle-and-moat" security approach where the corporate network was the "castle" that was surrounded by a "moat" of security appliances.* To allow traffic in and out of the "castle," organizations created internet gateways that provide a drawbridge across the "moat." These gateways initially consisted of a network firewall to establish a physical perimeter separating the internet from users, data and applications. As internet traffic increased and cyberattacks became more sophisticated, the "moat" was expanded to include new appliances to perform specific security functions and handle larger volumes of traffic.
- *Built a "hub-and-spoke" network architecture that required traffic from branch offices to be routed to centralized data centers.* Due to the expense of purchasing and maintaining security appliances, many organizations built only a small number of internet gateways ("hubs") and routed traffic from branch offices across wide area network links ("spokes") through these gateways to apply security checks and access controls. In addition, to provide access for mobile and remote users, organizations also deployed virtual private networks, or VPNs, which added a new ephemeral type of "spoke," further increasing the sprawl and complexity of the "hub-and-spoke" network.

Cloud and mobility offer opportunities while also introducing new challenges for enterprises

Organizations are undergoing a massive shift in their IT strategies. The adoption of cloud applications and infrastructure, explosion of internet traffic volumes and shift to mobile-first computing enhance business agility

and have become a strategic imperative for CIOs. Organizations are embracing these trends to empower business users, increase speed of deployment, create new customer experiences, reengineer business processes and find new opportunities for growth. At the same time, it is difficult for enterprises to embrace these trends with the traditional "castle-and-moat" security architecture because it introduces several key IT challenges:

- *Growing use of the cloud and the internet creates gaps in security coverage.* Enterprise applications are increasingly moving from being hosted in on-premises data centers within the corporate network to SaaS applications hosted in the public cloud, such as Microsoft Azure, Amazon Web Services and Google Cloud Platform. The growing use of the public cloud can significantly increase business risk, as security policies that are consistently applied within the traditional corporate network either cannot be enforced or are easily circumvented in a cloud environment.
- *Microsoft Office 365 strains network capacity and data center infrastructure.* Unlike other SaaS applications that are used intermittently or by specific departments, Microsoft Office 365 moves many of an organization's most heavily used applications, such as Exchange and SharePoint, to the cloud, which dramatically increases internet traffic and can potentially overwhelm the existing network and security infrastructure.
- *Workforce mobility makes every user a potential source of security vulnerability.* The shift towards an increasingly mobile workforce has caused employees to demand easy and fast access to the internet and on-premises and cloud applications, regardless of device or location. To permit access for their mobile employees, organizations have typically relied on VPNs, which grant the user access to the corporate network instead of just the application that is requested. This creates increased points of vulnerability, because a single compromised VPN user can expose the entire corporate network.

These challenges are exacerbated by an increasingly severe cyber threatscape

Today's sophisticated hackers, motivated by financial, criminal and terrorist objectives, are exploiting the gaps left by existing network security approaches with increasingly sophisticated and evolving threats. The growing dependence on the internet has increased exposure to malicious or compromised websites. According to Mozilla Firefox, over 60% of browser-based internet traffic is encrypted. Encryption has become one of the most effective tactics used by hackers to avoid detection by existing appliances. As a result, organizations are more exposed than ever to today's cyberattacks.

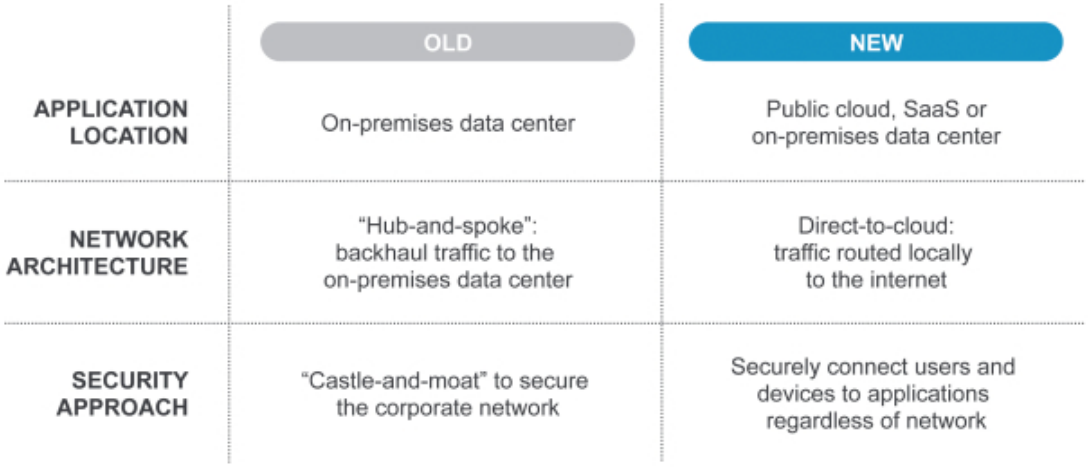
The traditional perimeter security approach is the principal reason enterprises struggle to realize the true benefits of cloud and mobility

When users are mobile, working remotely or in branch offices, and the applications they use are in the cloud, routing traffic back across a "hub-and-spoke" network to the data center for access and security controls provides a poor user experience. To deliver a fast user experience, traffic needs to be routed directly to the internet. Routing traffic directly to the internet, while maintaining access and security controls, may require deployment of hundreds, if not thousands, of internet gateways, which would be prohibitively expensive. Even if organizations made these investments, this would create a false sense of security as traditional appliances were designed to protect the network and are limited in their ability to detect and prevent the increasing number and diversity of sophisticated threats in the cloud.

A new approach to security is needed

The adoption of cloud and mobility requires a new approach to secure users and data regardless of the network. The "castle-and-moat" security approach was effective when users, applications and devices resided on the corporate network, and the organization could be protected by securing the corporate network. However, as

enterprise applications move to the cloud, users move off the corporate network and new threat types emerge, the stacks of security appliances protecting the corporate network increasingly lose relevance and effectiveness. In a cloud-enabled and mobile-first world, security must be pervasive across the internet and capable of protecting users who directly access the cloud without connecting to a specific corporate network. Similarly, instead of the "castle-and-moat" approach where security is only applied if the user is on the network, security needs to be abstracted from the on-premises corporate network such that policies securely connect the right user to the right application regardless of device, location or network.



Our Solution

Our security cloud, which is distributed across more than 100 data centers around the world, helps organizations accelerate their IT transformation to the cloud. This enables the secure migration of applications from the corporate data center to the cloud and from a legacy "hub-and-spoke" network to a modern direct-to-cloud architecture.

Our approach applies policies set by an organization to securely connect the right user to the right application, regardless of the network. Unlike traditional "hub-and-spoke" architectures, where traffic is backhauled over dedicated Wide Area Networks, or WANs, to centralized gateways, our solution allows traffic to be routed locally and securely to the internet over broadband and cellular connections. We offer two principal cloud services:

- Zscaler™ Internet Access, or ZIA™, securely connects users to externally managed applications, including SaaS applications and internet destinations, regardless of device, location or network. Our ZIA solution sits between users and the internet and is designed to ensure malware does not reach the user and valuable corporate data does not leak out.
- Zscaler Private Access, or ZPA™, offers authorized users secure and fast access to internally managed applications hosted in enterprise data centers or the public cloud. While traditional remote access solutions such as VPNs connect a user to the corporate network, our ZPA solution connects a specific user to a specific application, without bringing the user on the network, resulting in better security.

Key benefits

- ***Better user experience.*** With our direct-to-cloud architecture, users connect to the nearest Zscaler data center, taking the shortest path to the application or internet destination, resulting in a fast user

experience. Additionally, our purpose-built network security technology applies numerous techniques to minimize processing overhead, which reduces latency as compared to appliances.

- ***Improves security and reduces business risk.*** Our cloud platform was designed to provide full inline inspection of internet traffic, including full SSL inspection, and performs real-time threat correlation using multiple techniques for better threat prevention. The scale of our global cloud provides us with a network effect that delivers insight into advanced and zero-day threats as they emerge.

- ***Eliminates certain network security costs.*** Our solution eliminates the cost of buying and managing multiple network security appliances and reduces dedicated WAN costs for our customers.

- ***Simplicity.*** Our solution delivers the functions of a traditional internet gateway as a cloud service. This significantly reduces the complexity and personnel required as compared to managing a traditional appliance-based security approach. In addition, we help simplify the entire enterprise network topology by minimizing the need for "hub-and-spoke" networks and related hardware infrastructure.

Competitive Strengths

Our competitive strengths include:

- ***Security platform purpose-built for the cloud and designed for rapid innovation.*** In order to achieve the performance and scalability necessary to deliver a highly reliable and available service that sits in the data path of our customers, we developed many core technologies, including a proprietary TCP/IP stack, which are protected by over 100 issued and pending patents. Our highly differentiated multi-tenant distributed cloud security platform enables the rapid development and delivery of new offerings.
- ***Pioneer and market leader for cloud security with an established brand.*** Zscaler is a globally recognized leader in cloud security. In 2015, we were recognized by Forrester as a leader in "The Forrester Wave™: SaaS Web Content Security, Q2 2015" report, along with winning numerous other industry awards.
- ***Proven operational excellence as a mission critical cloud service.*** We have accumulated deep insights in designing and operating a highly available, scalable and resilient cloud infrastructure for the past nine years. Operating a service like ours requires years of experience running a globally distributed cloud that takes traffic from users across 185 countries and connects them to internet and cloud destinations with high availability and fast response times.
- ***Scalable go-to-market strategy driving C-level engagement.*** Although we have a channel sales model, we use a joint sales approach in which our sales force develops relationships directly with our customers, and together with our global telecommunications service provider, system integrator and value-added reseller partners, works on account penetration, account coordination, sales and overall market strategy. We have spent many years building these deeply entrenched relationships and expect to generate increasing sales leverage from this investment.
- ***Experienced management team and deep security expertise.*** Our management team has extensive cloud, network and security domain expertise with a proven track record of growing and running businesses at scale. Our president, chief executive officer and chairman of the board of directors, Jay Chaudhry, is a security industry pioneer and an accomplished entrepreneur, having founded and built several companies.

Market Opportunity

As applications are moving to the cloud, the corporate network is transforming from a "hub-and-spoke" to a direct-to-cloud architecture. This in turn is driving security transformation from a 30-year-old "castle-and-moat"

approach to a strategy that securely connects the right users to the right application regardless of the network. This creates a large opportunity to deliver cloud security services that replace traditional on-premises network security appliances and software. Our solution provides functionality that obviates the need for outbound and inbound internet gateways. The outbound internet gateway often includes URL filtering, anti-virus, content filtering, branch firewalls, advanced threat protection with sandboxing, and data loss prevention appliances. Inbound gateways typically include global load balancers, distributed denial of service, or DDoS, prevention, external firewalls, VPN concentrators and internal firewalls appliances. Based on our analysis using IDC data, $17.7 billion annually is spent on disparate security appliances to perform the functions we offer in our platform.

In addition to providing better security and user experience, we offer our customers the opportunity to reduce their overall networking complexity and cost. As organizations rearchitect their traditional "hub-and-spoke" corporate networks to adopt our direct-to-cloud architecture, the reduced need for supporting networking infrastructure and bandwidth such as Multiprotocol Label Switching, or MPLS, edge routers, ATM switches, ethernet edge routers and WAN optimization increases the return on investment of our solution.

Growth Strategies

Our goal is to empower organizations worldwide to realize the full potential of cloud and mobility. Key elements of our strategy include:

- ***Continue to win new customers.*** We believe that we have a significant opportunity to expand our customer base, both in the United States and internationally. We have invested significantly in our sales and marketing organization to execute against this opportunity.
- ***Expand in existing customers.*** We plan to leverage a land-and-expand approach with our existing customers to sell subscriptions to additional users, additional suites that contain more functionality and a la carte services.
- ***Leverage channel partners to participate in cloud transformation initiatives.*** We have invested in establishing long-standing relationships with global telecommunications service providers and are expanding our network of global system integrators and regional telecommunications service providers.
- ***Expansion and innovation of services.*** We continue to invest in research and development to add new and differentiated solutions to our existing product portfolio and improve the overall reliability, availability and scalability of our cloud security platform.
- ***Expansion into additional market segments.*** We are targeting the expansion of our immediate addressable market, emphasizing U.S. federal government agencies in the near- to medium-term as well as additional international markets such as Japan and the Asia Pacific region.
- ***Extend our platform to third-party developers.*** We intend to open our cloud security platform to third-party developers and vendors to offer new functionality and solutions that may target specific use cases, verticals and niche requirements.

Risks Associated with Our Business and Investments in Our Common Stock

Our business is subject to numerous risks and uncertainties, including those highlighted in the section titled "Risk Factors" immediately following this prospectus summary. These risks include, but are not limited to, the following:

- We have a history of losses and may not be able to achieve or sustain profitability in the future.
- If organizations do not adopt our cloud platform, our ability to grow our business and operating results may be adversely affected.

- If we are unable to attract new customers, our future results of operations could be harmed.
- If our customers do not renew their subscriptions for our services and add additional users and services to their subscriptions, our future results of operations could be harmed.
- We face intense and increasing competition and could lose market share to our competitors, which could adversely affect our business, financial condition and results of operations.
- Our operating results may fluctuate significantly, which could make our future results difficult to predict and could cause our operating results to fall below expectations.
- If the delivery of our services to our customers is interrupted or delayed for any reason, our business could suffer.
- The actual or perceived failure of our cloud platform to block malware or prevent a security breach could harm our reputation and adversely impact our business, financial condition and results of operations.
- Our business and growth depend in part on the success of our relationships with our channel partners.
- Claims by others that we infringe their proprietary technology or other rights, such as the lawsuits filed by Symantec Corporation, or other lawsuits asserted against us, could result in significant costs and substantially harm our business, financial condition, results of operations and prospects.
- The concentration of our stock ownership with insiders will likely limit your ability to influence corporate matters, including the ability to influence the outcome of director elections and other matters requiring stockholder approval.

Corporate Information

We were incorporated in Delaware in September 2007 as SafeChannel, Inc., and in August 2008 we changed our name to Zscaler, Inc. Our principal executive offices are located at 110 Rose Orchard Way, San Jose, California 95134, and our telephone number is (408) 533-0288. Our website address is www.zscaler.com. Information contained on, or that can be accessed through, our website does not constitute part of this prospectus and inclusions of our website address in this prospectus are inactive textual references only.

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

Implications of Being an Emerging Growth Company

We are an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting requirements that are otherwise applicable generally to public companies. These reduced reporting requirements include:

- the requirement to present only two years of audited financial statements and only two years of related management’s discussion and analysis in this prospectus;
- an exemption from compliance with the auditor attestation requirement on the effectiveness of our internal controls over financial reporting;
- reduced disclosure about our executive compensation arrangements; and
- an exemption from the requirements to obtain a non-binding advisory vote on executive compensation or shareholder approval of any golden parachute arrangements.

We will remain an emerging growth company until the earliest to occur of: (i) the first fiscal year following the fifth anniversary of our initial public offering; (ii) the first fiscal year after our annual gross revenue is $1.07 billion or more; (iii) the date on which we have, during the previous three-year period, issued more than $1.0 billion in non-convertible debt securities; or (iv) as of the end of any fiscal year in which the market value of our common stock held by non-affiliates exceeded $700.0 million as of the end of the second quarter of that fiscal year.

We may choose to take advantage of some, but not all, of the available benefits under the JOBS Act. We are choosing to irrevocably "opt out" of the extended transition periods available under the JOBS Act for complying with new or revised accounting standards, but we intend to take advantage of the other exemptions discussed above. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

See the section titled "Risk Factors—Risks Related to the Offering and Ownership of Our Common Stock—We are an 'emerging growth company' and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors for certain risks related to our status as an emerging growth company."

The Offering

Common stock offered by us	shares
Underwriters' over-allotment option	shares
Common stock to be outstanding after this offering	shares (shares, if the underwriters exercise their over-allotment option in full)
Use of proceeds	We estimate that the net proceeds from the sale of shares of our common stock in this offering will be approximately $ million (or approximately $ million if the underwriters exercise their over-allotment option in full), based upon the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds we receive from this offering for general corporate purposes, including working capital, sales and marketing activities, research and development, general and administrative matters, and capital expenditures, although we do not currently have any specific or preliminary plans with respect to the use of proceeds for such purposes. In addition, we may also use a portion of the net proceeds for the acquisition of, or investment in, technologies, solutions, products or businesses that complement our business, although we have no present commitments or agreements to enter into any acquisitions or investments. See the section titled "Use of Proceeds" for additional information.
Concentration of ownership	Upon the completion of this offering, our executive officers, directors, current 5% or greater stockholders and affiliated entities will together beneficially own approximately % of our common stock outstanding after this offering (or % if the underwriters exercise their over-allotment option in full), with Jay Chaudhry, our president, chief executive officer and chairman of our board of directors, and affiliates of Mr. Chaudhry beneficially owning approximately % (or % if the underwriters exercise their over-allotment option in full) of our common stock.
Proposed Nasdaq trading symbol	"ZS"

Certain entities associated with Charles Giancarlo, Lane Bess, Scott Darling and Karen Blasing, each a member of our board of directors, have indicated an interest in purchasing up to an aggregate of approximately $5.0 million of shares of our common stock in this offering (or an aggregate of shares based on the midpoint of the estimated offering price range set forth on the cover page of this prospectus) at the initial public offering price. Because these indications of interest are not binding agreements or commitments to purchase, the underwriters could determine to sell more, less or no shares to any of these potential investors and any of these potential investors could determine to purchase more, less or no shares in this offering. The underwriters will receive the same discount from any shares sold to these existing stockholders as they will from any other shares sold to the public in this offering. Any shares purchased by such stockholders will be subject to lock-up restrictions described in the section entitled "Shares Eligible for Future Sale."

The number of shares of our common stock that will be outstanding after this offering is based on 157,998,166 shares of our common stock (including shares of our convertible preferred stock on an as-converted basis) outstanding as of January 31, 2018, and excludes:

- 22,424,824 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock under our equity incentive plans that were outstanding as of January 31, 2018, with a weighted-average exercise price of $3.37 per share;
- No shares of our common stock issuable upon the exercise of options to purchase shares of our common stock under our equity incentive plans that were granted after January 31, 2018; and
- shares of common stock reserved for future issuance under our Fiscal Year 2018 Equity Incentive Plan, or our 2018 Plan, and shares of common stock reserved for future issuance under our Fiscal Year 2018 Employee Stock Purchase Plan, or our ESPP.

Our 2018 Plan and our ESPP each provide for annual automatic increases in the number of shares reserved thereunder, and our 2018 Plan also provides for increases to the number of shares of common stock that may be granted thereunder based on shares underlying any awards under our 2007 Stock Plan, or the 2007 Plan, that expire, are forfeited or are otherwise terminated, as more fully described in the section titled "Executive Compensation—Employee Benefit and Stock Plans."

Except as otherwise indicated, all information in this prospectus assumes:

- the filing and effectiveness of our amended and restated certificate of incorporation and the adoption of our amended and restated bylaws, each of which will occur immediately prior to the completion of this offering;
- the automatic conversion of all outstanding shares of our convertible preferred stock as of January 31, 2018 into an aggregate of 108,751,142 shares of our common stock, which will occur immediately prior to the completion of this offering, without giving effect to an anti-dilution adjustment relating to our Series D redeemable convertible preferred stock described in the section titled "Description of Capital Stock—Preferred Stock," assuming an initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover of this prospectus;
- no exercise of outstanding options subsequent to January 31, 2018;
- no exercise by the underwriters of their over-allotment option; and
- a -for- reverse split of our common stock to be effected prior to the completion of this offering.

Summary Consolidated Financial and Other Data

The following table summarizes our consolidated financial and other data. The summary consolidated statements of operations data presented below for fiscal 2015, 2016 and 2017 (except for the pro forma share and pro forma net loss per share information) is derived from our audited consolidated financial statements that are included elsewhere in this prospectus. The summary consolidated statements of operations data presented below for the six months ended January 31, 2017 and 2018 and the consolidated balance sheet data as of January 31, 2018 are derived from our unaudited interim consolidated financial statements that are included elsewhere in this prospectus. In management's opinion, the unaudited interim consolidated financial statements include all adjustments necessary to state fairly our financial position as of January 31, 2018 and the results of operations and cash flows for the six months ended January 31, 2017 and 2018. Our historical results are not necessarily indicative of the results that may be expected in the future and our results for the six months ended January 31, 2018 are not necessarily indicative of the results that may be expected for the full fiscal year ending July 31, 2018 or any other period.

You should read this data together with our consolidated financial statements and related notes included elsewhere in this prospectus and the sections titled "Selected Consolidated Financial and Other Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
	(in thousands, except per share data)				
Consolidated Statements of Operations Data:					
Revenue	$ 53,707	$ 80,325	$ 125,717	$ 56,209	$ 84,837
Cost of revenue(1)	14,431	20,127	27,472	12,441	16,950
Gross profit	39,276	60,198	98,245	43,768	67,887
Operating expenses:					
Sales and marketing(1)	32,191	56,702	79,236	34,912	54,038
Research and development(1)	15,034	20,940	33,561	17,174	17,992
General and administrative(1)	4,469	9,399	20,521	6,140	13,533
Total operating expenses	51,694	87,041	133,318	58,226	85,563
Loss from operations	(12,418)	(26,843)	(35,073)	(14,458)	(17,676)
Other income (expense), net	(181)	(127)	490	196	409
Loss before income taxes	(12,599)	(26,970)	(34,583)	(14,262)	(17,267)
Provision for income taxes	233	468	877	367	646
Net loss	$ (12,832)	$ (27,438)	$ (35,460)	$(14,629)	$ (17,913)
Accretion of Series C and D redeemable convertible preferred stock	(147)	(8,648)	(9,570)	(4,733)	(5,109)
Net loss attributable to common stockholders	$ (12,979)	$ (36,086)	$ (45,030)	$(19,362)	$ (23,022)
Net loss per share attributable to common stockholders, basic and diluted(2)	$ (0.37)	$ (0.91)	$ (1.03)	$ (0.45)	$ (0.49)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted(2)	35,279	39,772	43,832	42,800	46,687
Pro forma net loss per share, basic and diluted(2)			$ (0.23)		$ (0.12)
Weighted-average shares used in computing pro forma net loss per share, basic and diluted(2)			152,583		155,438

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

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
	(in thousands)				
Cost of revenue	$ 116	$ 189	$ 348	$ 139	$ 235
Sales and marketing	611	1,574	2,794	1,236	1,770
Research and development	648	1,025	5,574	4,925	892
General and administrative	186	829	1,203	450	900
Total stock-based compensation expense	$ 1,561	$ 3,617	$ 9,919	$ 6,750	$ 3,797

(2) See Note 9 to our consolidated financial statements elsewhere in this prospectus for an explanation of the method used to calculate our basic and diluted net loss per share attributable to common stockholders, our basic and diluted pro forma net loss per share and the weighted-average number of shares used in the computation of the per share amounts.

	January 31, 2018		
	Actual	Pro Forma(1)	Pro Forma As Adjusted(2)(3)
		(in thousands)	
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 71,569	$ 71,569	
Working capital(4)	$ 1,758	$ 1,758	
Total assets	$ 188,172	$ 188,172	
Deferred revenue, current and noncurrent	$ 119,257	$ 119,257	
Redeemable convertible preferred stock	$ 206,086	$ —	
Accumulated deficit	$ (180,367)	$ (180,367)	
Total stockholders' (deficit) equity	$ (167,058)	$ 39,028	

(1) The pro forma column reflects the automatic conversion of all outstanding shares of our convertible preferred stock into 108,751,142 shares of common stock immediately prior to the completion of this offering.

(2) The pro forma as adjusted column further reflects the receipt of $ million in net proceeds from our sale of shares of common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(3) Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, respectively, the amount of cash and cash equivalents, working capital, total assets and total stockholders' (deficit) equity by $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions. We may also increase or decrease the number of shares we are offering. An increase or decrease of 1.0 million in the number of shares we are offering would increase or decrease, respectively, the amount of cash and cash equivalents, working capital, total assets and total stockholders' (deficit) equity by approximately $ million, assuming the initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions. The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

(4) Working capital is defined as current assets less current liabilities.

Non-GAAP Financial Measures and Key Business Metrics

Refer to the section titled "Selected Consolidated Financial and Other Data—Non-GAAP Financial Measures" for additional information and a reconciliation of our non-GAAP financial measures to the most directly comparable financial measures stated in accordance with U.S. GAAP.

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
			(in thousands)		
Gross profit	$ 39,276	$ 60,198	$ 98,245	$ 43,768	$ 67,887
Non-GAAP gross profit	$ 39,392	$ 60,387	$ 98,593	$ 43,907	$ 68,122
Gross margin	73%	75%	78%	78%	80%
Non-GAAP gross margin	73%	75%	78%	78%	80%
Loss from operations	$ (12,418)	$ (26,843)	$ (35,073)	$ (14,458)	$ (17,676)
Non-GAAP loss from operations	$ (10,857)	$ (23,226)	$ (19,327)	$ (7,188)	$ (10,103)
Operating margin	(23%)	(33%)	(28%)	(26%)	(21%)
Non-GAAP operating margin	(20%)	(29%)	(15%)	(13%)	(12%)
Net cash used in operating activities	$ (3,279)	$ (11,916)	$ (6,019)	$ (2,554)	$ (5,468)
Net cash used in investing activities	$ (595)	$ (6,647)	$ (8,342)	$ (4,413)	$ (7,995)
Net cash provided by (used in) financing activities	$ 85,615	$ 27,563	$ 9,497	$ 1,381	$ (2,946)
Free cash flow	$ (9,984)	$ (18,163)	$ (14,193)	$ (6,967)	$ (13,463)
Net cash used in operating activities as a percentage of revenue	(6%)	(15%)	(5%)	(5%)	(6%)
Free cash flow margin	(19%)	(23%)	(11%)	(12%)	(16%)

Non-GAAP Financial Measures

In addition to our results determined in accordance with U.S. GAAP, we believe the following non-GAAP measures are useful in evaluating our operating performance. We use the following non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with U.S. GAAP. In particular, free cash flow is not a substitute for cash used in operating activities. Additionally, the utility of free cash flow as a measure of our liquidity is further limited as it does not represent the total increase or decrease in our cash balance for a given period. In addition, other companies, including companies in our industry, may calculate similarly-titled non-GAAP measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. A reconciliation is provided in "Selected Consolidated Financial and Other Data—Non-GAAP Financial Measures" for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with U.S. GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business.

Non-GAAP Gross Profit and Non-GAAP Gross Margin

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

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

We define non-GAAP loss from operations and non-GAAP operating margin as GAAP loss from operations and GAAP operating margin, respectively, excluding stock-based compensation expense and certain litigation-related expenses. These excluded litigation-related expenses are professional fees and related costs incurred by us in defending against significant claims that we deem not to be in the ordinary course of our business and, if applicable, accruals related to estimated losses in connection with these claims. There are many uncertainties and potential outcomes associated with any litigation, including the expense of litigation, timing of such expenses, court rulings, unforeseen developments, complications and delays, each of which may affect our results of operations from period to period, as well as the unknown magnitude of the potential loss relating to any lawsuit, all of which are inherently subject to change, difficult to estimate and could adversely affect our results of operations.

Free Cash Flow and Free Cash Flow Margin

Free cash flow is a non-GAAP financial measure that we calculate as net cash used in operating activities less purchases of property and equipment and capitalized internal-use software. Free cash flow margin is calculated as free cash flow divided by revenue. We believe that free cash flow and free cash flow margin are useful indicators of liquidity that provide information to management and investors about the amount of cash generated from our operations that, after the investments in property and equipment and internal-use software, can be used for strategic initiatives, including investing in our business and strengthening our financial position.

Dollar-Based Net Retention Rate

We believe that dollar-based net retention rate is a key metric to measure the long-term value of our customer relationships because it is driven by our ability to retain and expand the recurring revenue generated from our existing customers. Our dollar-based net retention rate compares the recurring revenue from a set of customers against the same metric for the prior 12-month period on a trailing basis. Given the repeat buying pattern of our customers and that the average term of our contracts is more than 12 months, we measure this metric over a set of customers who were with us as of the last day of the same reporting period in the prior fiscal year. Our dollar-based net retention rate includes customer attrition. We have not experienced a material increase in customer attrition rates in recent periods. For the denominator, to calculate our dollar-based net retention rate for a particular trailing 12-month period, we first establish the annual recurring revenue, or ARR, from all active subscriptions as of the last day of the same reporting period in the prior fiscal year. This effectively represents recurring dollars that we expect in the next 12-month period from the cohort of customers that existed on the last day of the same reporting period in the prior fiscal year. For the numerator, we measure the ARR for that same cohort of customers representing all subscriptions based on confirmed customer orders booked by us as of the end of the reporting period. Dollar-based net retention rate is obtained by dividing the ARR in the current trailing 12-month period by the previous trailing 12-month period. Refer to the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Certain Factors Affecting Our Performance—Follow-On Sales” for additional information on how we establish ARR.

	Trailing 12 Months Ended July 31,			Trailing 12 Months Ended January 31, 2018
	2015	2016	2017	
Dollar-based net retention rate	116%	115%	115%	122%

Calculated Billings

We believe that calculated billings is a key metric to measure our periodic performance. Calculated billings represents our revenue plus the change in deferred revenue in a period. Calculated billings in any particular period aims to reflect amounts invoiced for subscriptions to access our cloud platform, together with related support services related to our new and existing customers. We typically invoice our customers annually in advance, and to a lesser extent quarterly in advance, monthly in advance or multi-year in advance.

Calculated billings increased 62% for fiscal 2017 over fiscal 2016, 44% for fiscal 2016 over fiscal 2015 and 55% for the six months ended January 31, 2018 over the six months ended January 31, 2017. As calculated billings continues to grow in absolute terms, we expect our calculated billings growth rate to trend down over time. We also expect that calculated billings will be affected by seasonality in terms of when we enter into agreements with customers; and the mix of billings in each reporting period as we typically invoice customers annually in advance, and to a lesser extent quarterly in advance, monthly in advance or multi-year in advance. Refer to the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Certain Factors Affecting Our Performance.”

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
			(in thousands)		
Calculated billings	$ 66,971	$ 96,458	$ 156,423	$ 69,387	$ 107,475

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information contained in this prospectus, including our consolidated financial statements and the related notes thereto, before making a decision to invest in our common stock. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that affect us. If any of the following risks occur, our business, financial condition, operating results and prospects could be materially and adversely affected. In that event, the price of our common stock could decline, and you could lose part or all of your investment.

Risks Related to the Business

We have a history of losses and may not be able to achieve or sustain profitability in the future.

We have incurred net losses in all periods since our inception, and we expect we will continue to incur net losses for the foreseeable future. We experienced net losses of $12.8 million, $27.4 million and $35.5 million for fiscal 2015, 2016 and 2017, respectively, and $14.6 million and $17.9 million for the six months ended January 31, 2017 and 2018, respectively. As of July 31, 2017 and January 31, 2018, we had an accumulated deficit of $162.0 million and $180.4 million, respectively. Because the market for our cloud platform is rapidly evolving and cloud security solutions have not yet reached widespread adoption, it is difficult for us to predict our future results of operations. We expect our operating expenses to increase significantly over the next several years, particularly in fiscal 2018, as we continue to hire additional personnel, particularly in sales and marketing, expand our operations and infrastructure, both domestically and internationally, and continue to develop our platform. In addition to the expected costs to grow our business, we also expect to incur significant additional legal, accounting and other expenses as a newly public company. If we fail to increase our revenue to offset the increases in our operating expenses, we may not achieve or sustain profitability in the future.

If organizations do not adopt our cloud platform, our ability to grow our business and operating results may be adversely affected.

Cloud technologies are still evolving, and it is difficult to predict customer demand and adoption rates for our solutions or cloud-based offerings generally. We believe that our cloud platform offers superior protection to our customers, who are becoming increasingly dependent on the internet as they move their applications and data to the cloud. We also believe that our cloud platform represents a major shift from on-premises appliance-based security solutions. However, traditional on-premises security appliances are entrenched in the infrastructure of many of our potential customers, particularly large enterprises, because of their prior investment in and the familiarity of their IT personnel with on-premises appliance-based solutions. As a result, our sales process often involves extensive efforts to educate our customers on the benefits and capabilities of our cloud platform, particularly as we continue to pursue customer relationships with large organizations. Even with these efforts, we cannot predict market acceptance of our cloud platform, or the development of competing products or services based on other technologies. If we fail to achieve market acceptance of our cloud platform or are unable to keep pace with industry changes, our ability to grow our business and our operating results will be materially and adversely affected.

If we are unable to attract new customers, our future results of operations could be harmed.

To increase our revenue and achieve and maintain profitability, we must add new customers. To do so, we must successfully convince IT decision makers that, as they adopt SaaS applications and the public cloud, security delivered through the cloud provides significant advantages over legacy on-premises appliance-based security products. Additionally, many of our customers broadly deploy our product, which requires a significant commitment of resources. These factors significantly impact our ability to add new customers and increase the

time, resources and sophistication required to do so. In addition, numerous other factors, many of which are out of our control, may now or in the future impact our ability to add new customers, including potential customers' commitments to legacy IT security vendors and products, real or perceived switching costs, our failure to expand, retain and motivate our sales and marketing personnel, our failure to develop or expand relationships with our channel partners or to attract new channel partners, failure by us to help our customers to successfully deploy our cloud platform, negative media or industry or financial analyst commentary regarding us or our solutions, litigation and deteriorating general economic conditions. If our efforts to attract new customers are not successful, our revenue and rate of revenue growth may decline, we may not achieve profitability and our future results of operations could be materially harmed.

If our customers do not renew their subscriptions for our services and add additional users and services to their subscriptions, our future results of operations could be harmed.

In order for us to maintain or improve our results of operations, it is important that our customers renew their subscriptions for our services when existing contract terms expire and that we expand our commercial relationships with our existing customers. Our customers have no obligation to renew their subscriptions for our services after the expiration of their contractual subscription period, which is typically one to three years, and in the normal course of business, some customers have elected not to renew. In addition, in certain cases, customers may cancel their subscriptions without cause either at any time or upon advance written notice (typically ranging from 30 days to 60 days), typically subject to an early termination penalty for unused services. In addition, our customers may renew for fewer users, renew for shorter contract lengths or switch to a lower-cost suite. If our customers do not renew their subscription services, we could incur impairment losses related to our deferred contract acquisition costs. It is difficult to accurately predict long-term customer retention because of our varied customer base and given the length of our subscription contracts. Our customer retention and expansion may decline or fluctuate as a result of a number of factors, including our customers' satisfaction with our services, our prices and pricing plans, our customers' spending levels, decreases in the number of users to which our customers deploy our solutions, mergers and acquisitions involving our customers, competition and deteriorating general economic conditions.

Our future success also depends in part on the rate at which our current customers add additional users or services to their subscriptions, which is driven by a number of factors, including customer satisfaction with our services, customer security and networking issues and requirements, general economic conditions and customer reaction to the price per additional user or of additional services. If our efforts to expand our relationship with our existing customers are not successful, our business may materially suffer.

We face intense and increasing competition and could lose market share to our competitors, which could adversely affect our business, financial condition and results of operations.

The market for network security solutions is intensely competitive and characterized by rapid changes in technology, customer requirements, industry standards and frequent introductions of new and improvements of existing products and services. Our business model of delivering security through the cloud rather than legacy on-premises appliances is still relatively new and has not yet gained widespread market traction. Moreover, we compete with many established network and security vendors who are aggressively competing against us with their legacy appliance-based solutions and are also seeking to introduce cloud-based services that have functionality similar to our cloud platform. We expect competition to increase as other established and emerging companies enter the security solutions market, in particular with respect to cloud-based security solutions, as customer requirements evolve and as new products, services and technologies are introduced. If we are unable to anticipate or effectively react to these competitive challenges, our competitive position could weaken, and we could experience a decline in revenue or our growth rate that could materially and adversely affect our business and results of operations.

Our competitors and potential competitors include:

- independent IT security vendors, such as Check Point Software Technologies Ltd., Fortinet, Inc., Palo Alto Networks, Inc. and Symantec Corporation, which offer a broad mix of network and endpoint security products;

- large networking vendors, such as Cisco Systems, Inc. and Juniper Networks, Inc., which offer security appliances and incorporate security capabilities in their networking products;
- companies such as FireEye, Inc., Forcepoint Inc. (previously, Websense, Inc.), F5 Networks, Inc. and Pulse Secure, LLC with point solutions that compete with some of the features of our cloud platform, such as proxy, firewall, sandboxing and advanced threat protection, data loss prevention, encryption, load balancing and virtual private network vendors; and
- other providers of IT security services that offer, or may leverage related technologies to introduce, products that compete with or are alternatives to our cloud platform.

Many of our existing competitors have, and some of our potential competitors could have, substantial competitive advantages such as:

- greater name recognition, longer operating histories and larger customer bases;
- larger sales and marketing budgets and resources;
- broader distribution and established relationships with channel partners and customers;
- greater customer support resources;
- greater resources to make acquisitions and enter into strategic partnerships;
- lower labor and research and development costs;
- larger and more mature intellectual property rights portfolios; and
- substantially greater financial, technical and other resources.

Our competitors may be successful in convincing IT decision makers that legacy appliance-based security products are sufficient to meet their security needs and provide security performance that competes with our cloud platform. Accordingly, these IT decision makers may continue allocating their information technology budgets to legacy appliance-based products and may not adopt our cloud platform. Further, many organizations have invested substantial personnel and financial resources to design and operate their appliance-based networks and have established deep relationships with appliance vendors. As a result, these organizations may prefer to purchase from their existing suppliers rather than add or switch to a new supplier.

Our larger competitors have substantially broader and more diverse product and services offerings, which may allow them to leverage their relationships based on other products or incorporate functionality into existing products to gain business in a manner that discourages users from purchasing our services, including through selling at zero or negative margins, offering concessions, bundling products or maintaining closed technology platforms. Many competitors that specialize in providing protection from a single type of security threat may be able to deliver these targeted security products to the market more quickly than we can or to convince organizations that these limited products meet their needs.

Conditions in our market could change rapidly and significantly as a result of technological advancements, partnering or acquisitions by our competitors or continuing market consolidation. New start-up companies that innovate and large competitors that are making significant investments in research and development may invent similar or superior products, services and technologies that compete with our cloud platform. In addition, large companies with substantial communications infrastructure, such as global telecommunications services provider partners or public cloud providers, could choose to enter the security solutions market. Some of our current or potential competitors have made or could make acquisitions of businesses or establish cooperative relationships that may allow them to offer more directly competitive and comprehensive solutions than were previously offered and adapt more quickly to new technologies and customer needs. These competitive pressures in our market or our failure to compete effectively may result in price reductions, fewer orders, reduced revenue and gross margins, increased net losses and loss of market share. Any failure to meet and address these factors could materially harm our business and operating results.

We have experienced rapid revenue and other growth in recent periods, which may not be indicative of our future performance.

We have experienced rapid revenue growth in recent periods, with revenue of $53.7 million, $80.3 million and $125.7 million for fiscal 2015, 2016 and 2017, respectively. Similarly, we have recently experienced a period of rapid growth in our operations and employee headcount. In particular, our headcount grew from approximately 450 employees as of July 31, 2015, to approximately 600 employees as of July 31, 2016, to approximately 850 employees as of July 31, 2017, to approximately 950 employees as of January 31, 2018. In addition, the number of customers, users and internet traffic on our cloud platform has increased rapidly in recent years.

You should not consider our recent growth in revenue, operations or employee headcount as indicative of our future performance. While we expect to continue to expand our operations and to increase our headcount significantly in the future, both domestically and internationally, our growth may not be sustainable. In particular, our recent revenue growth rates may decline in the future and may not be sufficient to achieve and sustain profitability, as we also expect our costs to increase in future periods. We believe that historical comparisons of our revenue may not be meaningful and should not be relied upon as an indication of future performance. Accordingly, you should not rely on our revenue and other growth for any prior quarter or fiscal year as an indication of our future revenue or revenue growth.

If we fail to effectively manage our growth, we may be unable to execute our business plan, maintain high levels of service, adequately address competitive challenges or maintain our corporate culture, and our business, financial condition and results of operations would be harmed.

Our growth has placed, and future growth will continue to place, a significant strain on our management and our administrative, operational and financial infrastructure. Our success will depend in part on our ability to manage this growth effectively, which will require that we continue to improve our administrative, operational, financial and management systems and controls by, among other things:

- effectively attracting, training and integrating a large number of new employees, particularly members of our sales and management teams;
- further improving our key business applications, processes and IT infrastructure, including our data centers, to support our business needs;
- enhancing our information and communication systems to ensure that our employees and offices around the world are well coordinated and can effectively communicate with each other and our growing base of channel partners, customers and users; and
- appropriately documenting and testing our IT systems and business processes.

These and other improvements in our systems and controls will require significant capital expenditures and the allocation of valuable management and employee resources. If we fail to implement these improvements effectively, our ability to manage our expected growth, ensure uninterrupted operation of our cloud platform and key business systems and comply with the rules and regulations applicable to public companies could be impaired, the quality of our platform and services could suffer and we may not be able to adequately address competitive challenges.

In addition, we believe that our corporate culture has been a contributor to our success, which we believe fosters innovation, teamwork and an emphasis on customer-focused results. We also believe that our culture creates an environment that drives and perpetuates our strategy and cost-effective distribution approach. As we grow and develop the infrastructure of a public company, we may find it difficult to maintain our corporate culture. Any failure to preserve our culture could harm our future success, including our ability to retain and recruit personnel, innovate and operate effectively and execute on our business strategy. If we experience any of these effects in connection with future growth, it could materially impair our ability to attract new customers, retain existing customers and expand their use of our platform, all of which would materially and adversely affect our business, financial condition and results of operations.

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

Our relatively limited operating history makes it difficult to evaluate our current business and prospects and plan for our future growth. We were incorporated in 2007, with much of our growth occurring in recent years. As a result, our business model has not been fully proven, which subjects us to a number of uncertainties, including our ability to plan for and model future growth. While we have continued to develop our solutions to incorporate multiple security and compliance applications into a single purpose-built, multi-tenant, distributed cloud security platform, we have encountered and will continue to encounter risks and uncertainties frequently experienced by rapidly growing companies in developing markets, including our ability to achieve broad market acceptance of our cloud platform, attract additional customers, grow partnerships, withstand increasing competition and manage increasing expenses as we continue to grow our business. If our assumptions regarding these risks and uncertainties are incorrect or change in response to changes in the market for network security solutions, our operating and financial results could differ materially from our expectations and our business could suffer.

Our operating results may fluctuate significantly, which could make our future results difficult to predict and could cause our operating results to fall below expectations.

Our operating results may fluctuate from quarter to quarter as a result of a number of factors, many of which are outside of our control and may be difficult to predict. Some of the factors that may cause our results of operations to fluctuate from quarter to quarter include:

- broad market acceptance and the level of demand for our cloud platform;
- our ability to attract new customers, particularly large enterprises;
- our ability to retain customers and expand their usage of our platform, particularly our largest customers;
- our ability to successfully expand internationally and penetrate key markets;
- the effectiveness of our sales and marketing programs;
- the length of our sales cycle, including the timing of renewals;
- technological changes and the timing and success of new service introductions by us or our competitors or any other change in the competitive landscape of our market;
- increases in and timing of operating expenses that we may incur to grow and expand our operations and to remain competitive;
- pricing pressure as a result of competition or otherwise;
- seasonal buying patterns for IT spending;
- the quality and level of our execution of our business strategy and operating plan;
- adverse litigation judgments, settlements or other litigation-related costs;
- changes in the legislative or regulatory environment;
- the impact and costs related to the acquisition of businesses, talent, technologies or intellectual property rights; and
- general economic conditions in either domestic or international markets, including geopolitical uncertainty and instability.

Any one or more of the factors above may result in significant fluctuations in our results of operations. We also intend to continue to invest significantly to grow our business in the near future rather than optimizing for profitability or cash flows. In addition, we generally experience seasonality in terms of when we enter into

agreements with customers. We typically enter into a higher percentage of agreements with new customers, as well as renewal agreements with existing customers, in the second and fourth quarters of our fiscal year. This seasonality is reflected to a much lesser extent, and sometimes is not immediately apparent, in revenue, due to the fact that we recognize subscription revenue ratably over the term of the subscription, which is generally one to three years. We expect that seasonality will continue to affect our operating results in the future and may reduce our ability to predict cash flow and optimize the timing of our operating expenses.

The variability and unpredictability of our quarterly results of operations or other operating metrics could result in our failure to meet our expectations or those of industry or financial analysts. If we fail to meet or exceed such expectations for these or any other reasons, the market price of our common stock could fall substantially, and we could face costly lawsuits, including securities class action suits.

If the delivery of our services to our customers is interrupted or delayed for any reason, our business could suffer.

Any interruption or delay in the delivery of our services will negatively impact our customers. Our solutions are deployed via the internet, and our customers' internet traffic is routed through our cloud platform. Our customers depend on the continuous availability of our cloud platform to access the internet, and our services are designed to operate without interruption in accordance with our service level commitments. If our entire platform were to fail, customers and users could lose access to the internet until such disruption is resolved or customers deploy disaster recovery options that allow them to bypass our cloud platform to access the internet. The adverse effects of any service interruptions on our reputation and financial condition may be disproportionately heightened due to the nature of our business and the fact that our customers expect continuous and uninterrupted internet access and have a low tolerance for interruptions of any duration. While we do not consider them to have been material, we have experienced, and may in the future experience, service disruptions and other performance problems due to a variety of factors.

The following factors, many of which are beyond our control, can affect the delivery and availability of our services and the performance of our cloud:

- the development and maintenance of the infrastructure of the internet;
- the performance and availability of third-party telecommunications services with the necessary speed, data capacity and security for providing reliable internet access and services;
- decisions by the owners and operators of the data centers where our cloud infrastructure is deployed or by global telecommunications service provider partners who provide us with network bandwidth to terminate our contracts, discontinue services to us, shut down operations or facilities, increase prices, change service levels, limit bandwidth, declare bankruptcy or prioritize the traffic of other parties;
- the occurrence of earthquakes, floods, fires, power loss, system failures, physical or electronic break-ins, acts of war or terrorism, human error or interference (including by disgruntled employees, former employees or contractors) and other catastrophic events;
- cyberattacks, including denial of service attacks, targeted at us, our data centers, our global telecommunications service provider partners or the infrastructure of the internet;
- failure by us to maintain and update our cloud infrastructure to meet our traffic capacity requirements;
- errors, defects or performance problems in our software, including third-party software incorporated in our software, which we use to operate our cloud platform;
- improper classification of websites by our vendors who provide us with lists of malicious websites;
- improper deployment or configuration of our services;

- the failure of our redundancy systems, in the event of a service disruption at one of our data centers, to provide failover to other data centers in our data center network; and
- the failure of our disaster recovery and business continuity arrangements.

The occurrence of any of these factors, or if we are unable to efficiently and cost-effectively fix such errors or other problems that may be identified, could damage our reputation, negatively impact our relationship with our customers or otherwise materially harm our business, results of operations and financial condition.

In addition, we provide our services through a cloud-based inline proxy, and some governments, third-party products, websites or services may block proxy-based traffic under certain circumstances. For example, vendors may attempt to block traffic from our cloud platform or blacklist our IP addresses because they cannot identify the source of the proxy-based traffic. Our competitors may use this as an excuse to block traffic from their solutions or blacklist our IP addresses, which may result in our customers' traffic being blocked from our platform. If our customers experience significant instances of traffic blockages, they will experience reduced functionality or other inefficiencies, which would reduce customer satisfaction with our services and likelihood of renewal.

The actual or perceived failure of our cloud platform to block malware or prevent a security breach could harm our reputation and adversely impact our business, financial condition and results of operations.

Our cloud platform may fail to detect or prevent security breaches for any number of reasons. Our cloud platform is complex and may contain performance issues that are not detected until after its deployment. We also provide frequent solution updates and fundamental enhancements, which increase the possibility of errors, and our reporting, tracking, monitoring and quality assurance procedures may not be sufficient to ensure we detect any such defects in a timely manner. The performance of our cloud platform can be negatively impacted by our failure to enhance, expand or update our cloud platform, errors or defects in our software, improper classification of websites by our vendors who provide us with lists of malicious websites, improper deployment or configuration of our services and many other factors.

In addition, because the techniques used by computer hackers to access or sabotage networks change frequently and generally are not recognized until launched against a target, there is a risk that a cyber threat could emerge that our services are unable to detect or prevent until after some of our customers are impacted. Moreover, as our services are adopted by an increasing number of enterprises, it is possible that the individuals and organizations behind cyber threats will focus on finding ways to defeat our services. If this happens, our cloud platform could be targeted by attacks specifically designed to disrupt our business and create the perception that our cloud platform is not capable of providing superior security, which, in turn, could have a serious impact on our reputation as a provider of security solutions. Further, if a high profile security breach occurs with respect to another cloud services provider, our customers and potential customers may lose trust in cloud solutions generally, and with respect to security in particular, which could materially and adversely impact our ability to retain existing customers or attract new customers.

Increasingly, companies are subject to a wide variety of attacks on their networks and systems, including traditional computer hackers, malicious code (such as viruses and worms), distributed denial-of-service attacks, sophisticated attacks conducted or sponsored by nation-states, advanced persistent threat intrusions, ransomware, and theft or misuse of intellectual property or business or personal data, including by disgruntled employees, former employees or contractors. No security solution, including our cloud platform, can address all possible security threats or block all methods of penetrating a network or otherwise perpetrating a security incident. Our customers must rely on complex network and security infrastructures, which include products and services from multiple vendors, to secure their networks. If any of our customers becomes infected with malware or experiences a security breach, they could be disappointed with our services, regardless of whether our services are intended to block the attack or would have blocked the attack if the customer had properly configured our

cloud platform. Additionally, if any enterprises that are publicly known to use our services are the subject of a cyberattack that becomes publicized, our current or potential customers may look to our competitors for alternatives to our services.

From time to time, industry or financial analysts and research firms test our solutions against other security products. Our services may fail to detect or prevent threats in any particular test for a number of reasons, including misconfiguration. To the extent potential customers, industry or financial analysts or testing firms believe that the occurrence of a failure to detect or prevent any particular threat is a flaw or indicates that our services do not provide significant value, our reputation and business could be materially harmed.

Any real or perceived flaws in our cloud platform or any real or perceived security breaches of our customers could result in:

- a loss of existing or potential customers or channel partners;
- delayed or lost sales and harm to our financial condition and results of operations;
- a delay in attaining, or the failure to attain, market acceptance;
- the expenditure of significant financial resources in efforts to analyze, correct, eliminate, remediate or work around errors or defects, to address and eliminate vulnerabilities and to address any applicable legal or contractual obligations relating to any actual or perceived security breach;
- negative publicity and damage to our reputation and brand; and
- legal claims and demands (including for stolen assets or information, repair of system damages, and compensation to customers and business partners), litigation, regulatory inquiries or investigations and other liability.

Any of the above results could materially and adversely affect our business, financial condition and results of operations.

If our global network of data centers which deliver our services was damaged or otherwise failed to meet the requirement of our business, our ability to provide services to our customers and maintain the performance of our cloud platform could be negatively impacted, which could cause our business to suffer.

We currently host our cloud platform and serve our customers from a global network of over 100 data centers. While we have electronic access to the components and infrastructure of our cloud platform that are hosted by third parties, we do not control the operation of these facilities. Consequently, we may be subject to service disruptions as well as failures to provide adequate support for reasons that are outside of our direct control. Our data centers are vulnerable to damage or interruption from a variety of sources, including earthquakes, floods, fires, power loss, system failures, computer viruses, physical or electronic break-ins, human error or interference (including by disgruntled employees, former employees or contractors), and other catastrophic events. Our data centers may also be subject to local administrative actions, changes to legal or permitting requirements and litigation to stop, limit or delay operations. Despite precautions taken at these facilities, such as disaster recovery and business continuity arrangements, the occurrence of a natural disaster or an act of terrorism, a decision to close the facilities without adequate notice or other unanticipated problems at these facilities could result in interruptions or delays in our services, impede our ability to scale our operations or have other adverse impacts upon our business. In addition, if we do not accurately plan for our infrastructure capacity requirements and we experience significant strains on our data center capacity, we may experience delays and additional expenses in arranging new data centers, and our customers could experience performance degradation or service outages that may subject us to financial liabilities, result in customer losses and materially harm our business.

Our business and growth depend in part on the success of our relationships with our channel partners.

We currently derive most of our revenue from sales through our channel partner network, and we expect for the foreseeable future most of our future revenue growth will also be driven through this network. Not only does our joint sales approach require additional investment to grow and train our sales force, but we believe that continued growth in our business is dependent upon identifying, developing and maintaining strategic relationships with our existing and potential channel partners, including global systems integrators and regional telecommunications service providers that will in turn drive substantial revenue and provide additional value-added services to our customers. Our agreements with our channel partners are generally non-exclusive, meaning our channel partners may offer customers the products of several different companies, including products that compete with our cloud platform. In general, our channel partners may also cease marketing or reselling our platform with limited or no notice and without penalty. If our channel partners do not effectively market and sell subscriptions to our cloud platform, choose to promote our competitors' products or fail to meet the needs of our customers, our ability to grow our business and sell subscriptions to our cloud platform may be adversely affected. For example, sales through our top five channel partners and their affiliates, in aggregate, represented 40%, 46% and 47% of our revenue for fiscal 2015, 2016 and 2017, respectively, and 48% and 42% of our revenue for the six months ended January 31, 2017 and 2018, respectively. In addition, our channel partner structure could subject us to lawsuits or reputational harm if, for example, a channel partner misrepresents the functionality of our cloud platform to customers or violates applicable laws or our corporate policies. Our ability to achieve revenue growth in the future will depend in large part on our success in maintaining successful relationships with our channel partners, identifying additional channel partners and training our channel partners to independently sell and deploy our platform. If we are unable to maintain our relationships with our existing channel partners or develop successful relationships with new channel partners or if our channel partners fail to perform, our business, financial position and results of operations could be materially and adversely affected.

If we are not able to maintain and enhance our brand, our business and results of operations may be adversely affected.

We believe that maintaining and enhancing our reputation as a provider of high-quality security solutions is critical to our relationship with our existing customers and channel partners and our ability to attract new customers and channel partners. The successful promotion of our brand will depend on a number of factors, including our marketing efforts, our ability to continue to develop high-quality features and solutions for our cloud platform and our ability to successfully differentiate our platform from competitive products and services. Our brand promotion activities may not be successful or yield increased revenue. In addition, independent industry or financial analysts often provide reviews of our platform, as well as products and services of our competitors, and perception of our platform in the marketplace may be significantly influenced by these reviews. If these reviews are negative, or less positive as compared to those of our competitors' products and services, our brand may be adversely affected. Additionally, the performance of our channel partners may affect our brand and reputation if customers do not have a positive experience with our channel partners' services. The promotion of our brand requires us to make substantial expenditures, and we anticipate that the expenditures will increase as our market becomes more competitive, we expand into new markets and more sales are generated through our channel partners. To the extent that these activities yield increased revenue, this revenue may not offset the increased expenses we incur. If we do not successfully maintain and enhance our brand, our business may not grow, we may have reduced pricing power relative to competitors and we could lose customers or fail to attract potential customers, all of which would materially and adversely affect our business, results of operations and financial condition.

If we do not effectively expand and train our sales force, we may be unable to add new customers or increase sales to our existing customers, and our business will be adversely affected.

Although we have a channel sales model, our sales representatives typically engage in direct interaction with our prospective customers. Therefore, we continue to be substantially dependent on our sales force to obtain

new customers. Increasing our customer base and achieving broader market acceptance of our cloud platform will depend, to a significant extent, on our ability to expand and further invest in our sales and marketing operations and activities. There is significant competition for sales personnel with the advanced sales skills and technical knowledge we need. We believe that selling a cloud-based security solution requires particularly talented sales personnel with the ability to communicate the transformative potential of our cloud platform. Our ability to achieve significant growth in revenue in the future will depend, in large part, on our success in recruiting, training and retaining sufficient numbers of these talented sales personnel in both the U.S. and international markets. In particular, in fiscal 2018, we expect to expand our sales and marketing organization significantly. New hires require significant training and may take significant time before they achieve full productivity. As a result, our new hires and planned hires may not become as productive as we would like, and we may be unable to hire or retain sufficient numbers of qualified individuals in the future. As a result of our rapid growth, a large percentage of our sales and marketing team is new to our company and selling our solutions, and therefore this team may be less effective than our more seasoned employees. Furthermore, hiring sales personnel in new countries, or expanding our existing presence, requires upfront and ongoing expenditures that we may not recover if the sales personnel fail to achieve full productivity. We cannot predict whether, or to what extent, our sales will increase as we expand our sales force or how long it will take for sales personnel to become productive. If we are unable to hire and train a sufficient number of effective sales personnel, or the sales personnel we hire are not successful in obtaining new customers or increasing sales to our existing customer base, our business and future growth prospects will be materially and adversely affected.

Our sales cycles can be long and unpredictable, and our sales efforts require considerable time and expense.

The timing of our sales and related revenue recognition is difficult to predict because of the length and unpredictability of the sales cycle for our cloud platform, particularly with respect to large organizations. Our sales efforts typically involve educating our prospective customers about the uses, benefits and the value proposition of our cloud platform. Customers often view the subscription to our cloud platform as a significant strategic decision and, as a result, frequently require considerable time to evaluate, test and qualify our platform prior to entering into or expanding a relationship with us. Large enterprises and government entities in particular often undertake a significant evaluation process that further lengthens the sales cycle.

Our sales force develops relationships directly with our customers, and together with our channel account teams, works with our channel partners on account penetration, account coordination, sales and overall market development. We spend substantial time and resources on our sales efforts without any assurance that our efforts will produce a sale. Platform purchases are frequently subject to budget constraints, multiple approvals and unanticipated administrative, processing and other delays. As a result, it is difficult to predict whether and when a sale will be completed and when revenue from a sale will be recognized.

Sales to larger customers involve risks that may not be present, or that are present to a lesser extent, with sales to smaller customers, which can act as a disincentive to our sales team to pursue these larger customers. These risks include:

- competition from companies that traditionally target larger enterprises and that may have pre-existing relationships or purchase commitments from such customers;
- increased purchasing power and leverage held by larger customers in negotiating contractual arrangements with us;
- more stringent requirements in our support obligations; and
- longer sales cycles and the associated risk that substantial time and resources may be spent on a potential customer that elects not to purchase our solutions.

The failure of our efforts to secure sales after investing resources in a lengthy sales process could materially and adversely affect our business and operating results.

If we fail to develop or introduce new enhancements to our cloud platform on a timely basis, our ability to attract and retain customers, remain competitive and grow our business could be impaired.

The industry in which we compete is characterized by rapid technological change, frequent introductions of new products and services, evolving industry standards and changing regulations, as well as changing customer needs, requirements and preferences. Our ability to attract new customers and increase revenue from existing customers will depend in significant part on our ability to anticipate and respond effectively to these changes on a timely basis and continue to introduce enhancements to our cloud platform. The success of our cloud platform depends on our continued investment in our research and development organization to increase the reliability, availability and scalability of our existing solutions. The success of any enhancement depends on several factors, including the timely completion and market acceptance of the enhancement. Any new service that we develop might not be introduced in a timely or cost-effective manner and might not achieve the broad market acceptance necessary to generate significant revenue. If new technologies emerge that deliver competitive products and services at lower prices, more efficiently, more conveniently or more securely, these technologies could adversely impact our ability to compete effectively. Any delay or failure in the introduction of enhancements could materially harm our business, results of operations and financial condition.

Because we recognize revenue from subscriptions for our services over the term of the subscription, downturns or upturns in new business may not be immediately reflected in our operating results and may be difficult to discern.

We generally recognize revenue from customers ratably over the terms of their subscription, which are typically one to three years. As a result, a substantial portion of the revenue we report in each period is attributable to the recognition of deferred revenue relating to agreements that we entered into during previous periods. Consequently, any increase or decline in new sales or renewals in any one period may not be immediately reflected in our revenue for that period. Any such change, however, may affect our revenue in future periods. Additionally, subscriptions that are invoiced annually in advance or multi-year in advance contribute significantly to our short-term and long-term deferred revenue in comparison to our invoices issued quarterly and monthly in advance, which will also affect our financial position in any given period. Accordingly, the effect of downturns or upturns in new sales and potential changes in our rate of renewals may not be fully reflected in our results of operations until future periods. We may also be unable to reduce our cost structure in line with a significant deterioration in sales or renewals. Our subscription model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from new customers must be recognized over the applicable subscription term.

If our cloud platform or internal networks, systems or data are or are perceived to have been breached, our solution may be perceived as insecure, our reputation may be damaged and our financial results may be negatively impacted.

It is virtually impossible for us to entirely mitigate the risk of breaches of our cloud platform or other security incidents affecting our internal systems, networks or data. In addition, the functionality of our platform may be disrupted by third parties, including disgruntled employees, former employees or contractors. The security measures we use internally and have integrated into our cloud platform, which are designed to detect unauthorized activity and prevent or minimize security breaches, may not function as expected or may not be sufficient to protect against certain attacks. Companies are subject to a wide variety of attacks on their networks and systems, and techniques used to sabotage or to obtain unauthorized access to networks in which data is stored or through which data is transmitted change frequently and generally are not recognized until launched against a target. As a result, we may be unable to anticipate these techniques or implement adequate measures to prevent an electronic intrusion into our customers through our cloud platform or to prevent breaches and other security incidents affecting our cloud platform, internal networks, systems or data. Actual or perceived security breaches of our cloud platform could result in actual or perceived breaches of our customers' networks and systems, which, in turn, could lead to litigation, governmental audits and investigations and significant legal fees, and

could damage our relationships with our existing customers and have a negative impact on our ability to attract and retain new customers.

Our internal systems are exposed to the same cybersecurity risks and consequences of a breach as our customers and other enterprises. However, since our business is focused on providing reliable security services to our customers, we believe that an actual or perceived breach of, or security incident affecting, our internal networks, systems or data, could be especially detrimental to our reputation, customer confidence in our solution and our business.

If our cloud platform does not interoperate with our customers' network and security infrastructure or with third-party products, websites or services, our cloud platform may become less competitive and our results of operations may be harmed.

Our cloud platform must interoperate with our customers' existing network and security infrastructure. These complex systems are developed, delivered and maintained by the customer and a myriad of vendors and service providers. As a result, the components of our customers' infrastructure have different specifications, rapidly evolve, utilize multiple protocol standards, include multiple versions and generations of products and may be highly customized. We must be able to interoperate and provide our security services to customers with highly complex and customized networks, which requires careful planning and execution between our customers, our customer support teams and our channel partners. Further, when new or updated elements of our customers' infrastructure or new industry standards or protocols, such as HTTP/2, are introduced, we may have to update or enhance our cloud platform to allow us to continue to provide service to customers. Our competitors or other vendors may refuse to work with us to allow their products to interoperate with our solutions, which could make it difficult for our cloud platform to function properly in customer networks that include these third-party products.

We may not deliver or maintain interoperability quickly or cost-effectively, or at all. These efforts require capital investment and engineering resources. If we fail to maintain compatibility of our cloud platform with our customers' network and security infrastructures, our customers may not be able to fully utilize our solutions, and we may, among other consequences, lose or fail to increase our market share and experience reduced demand for our services, which would materially harm our business, operating results and financial condition.

We provide service level commitments under our customer contracts. If we fail to meet these contractual commitments, we could be obligated to provide credits for future service and our business could suffer.

Our customer agreements contain service level commitments, which contain specifications regarding the availability and performance of our cloud platform. Any failure of or disruption to our infrastructure could impact the performance of our platform and the availability of services to customers. If we are unable to meet our stated service level commitments or if we suffer extended periods of poor performance or unavailability of our platform, we may be contractually obligated to provide affected customers with service credits for future subscriptions, and, in certain cases, refunds. To date, there has not been a material failure to meet our service level commitments, and we do not currently have any material liabilities accrued on our balance sheet for such commitments. Our revenue, other results of operations and financial condition could be harmed if we suffer performance issues or downtime that exceeds the service level commitments under our agreements with our customers.

Our ability to maintain customer satisfaction depends in part on the quality of our customer support, including the quality of the support provided on our behalf by certain channel partners. Failure to maintain high-quality customer support could have an adverse effect on our business, financial condition and results of operations.

If we do not provide superior support to our customers, our ability to renew subscriptions, increase the number of users and sell additional services to customers will be adversely affected. We believe that successfully

delivering our cloud solution requires a particularly high level of customer support and engagement. We or our channel partners must successfully assist our customers in deploying our cloud platform, resolving performance issues, addressing interoperability challenges with a customer's existing network and security infrastructure and responding to security threats and cyberattacks. Many enterprises, particularly large organizations, have very complex networks and require high levels of focused support, including premium support offerings, to fully realize the benefits of our cloud platform. Any failure by us to maintain the expected level of support could reduce customer satisfaction and hurt our customer retention, particularly with respect to our large enterprise customers. Additionally, if our channel partners do not provide support to the satisfaction of our customers, we may be required to provide this level of support to those customers, which would require us to hire additional personnel and to invest in additional resources. We may not be able to hire such resources fast enough to keep up with demand, particularly if the sales of our platform exceed our internal forecasts. To the extent that we or our channel partners are unsuccessful in hiring, training and retaining adequate support resources, our ability and the ability of our channel partners to provide adequate and timely support to our customers will be negatively impacted, and our customers' satisfaction with our cloud platform could be adversely affected. We currently rely in part on contractors provided by third-party service providers internationally to provide support services to our customers, and we expect to expand our international customer service support team to other countries. Any failure to properly train or oversee such contractors could result in a poor customer experience and an adverse impact on our reputation and ability to renew subscriptions or engage new customers. Furthermore, as we sell our solutions internationally, our support organization faces additional challenges, including those associated with delivering support, training and documentation in languages other than English. Any failure to maintain high-quality customer support, or a market perception that we do not maintain high-quality support, could materially harm our reputation, adversely affect our ability to sell our solutions to existing and prospective customers and could harm our business, financial condition and results of operations.

We rely on our key technical, sales and management personnel to grow our business, and the loss of one or more key employees or the inability to attract and retain qualified personnel could harm our business.

Our future success is substantially dependent on our ability to attract, retain and motivate the members of our management team and other key employees throughout our organization. In particular, we are highly dependent on the services of Jay Chaudhry, our president, chief executive officer and chairman of our board of directors, who is critical to our future vision and strategic direction. We rely on our leadership team in the areas of operations, security, marketing, sales, support and general and administrative functions, and on individual contributors on our research and development team. Although we have entered into employment agreements with our key personnel, these agreements have no specific duration and constitute at-will employment. We do not maintain key person life insurance policies on any of our employees. The loss of one or more of our executive officers or key employees could seriously harm our business.

To execute our growth plan, we must attract and retain highly qualified personnel. Competition for these personnel in the San Francisco Bay Area, where our headquarters are located, and in other locations where we maintain offices, is intense, especially for experienced sales professionals and for engineers experienced in designing and developing cloud applications and security software. We have from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. For example, in recent years, recruiting, hiring and retaining employees with expertise in the cybersecurity industry has become increasingly difficult as the demand for cybersecurity professionals has increased as a result of the recent cybersecurity attacks on global corporations and governments. Many of the companies with which we compete for experienced personnel have greater resources than we have. In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. Volatility or lack of performance in our stock price may also affect our ability to attract and retain our key employees. Also, many of our employees have become, or will soon become, vested in a substantial amount of equity awards, which may give them a substantial amount of personal wealth. This may make it more difficult for us to retain and motivate these employees, and this wealth could affect their decision about whether or not they continue to work for us. Any failure to successfully attract, integrate or retain qualified personnel to

fulfill our current or future needs could materially and adversely affect our business, operating results and financial condition.

Our business is subject to the risks of earthquakes, fire, floods and other natural catastrophic events, and to interruption by man-made problems such as power disruptions, computer viruses, data security breaches or terrorism.

Our corporate headquarters are located in the San Francisco Bay Area, a region known for seismic activity. A significant natural disaster, such as an earthquake, fire or a flood, occurring at our headquarters, at one of our other facilities or where a key channel partner or data center is located could adversely affect our business, results of operations and financial condition. Further, if a natural disaster or man-made problem were to affect our component suppliers or other third-party providers, this could materially and adversely affect our ability to provide services in a timely or cost effective manner. In addition, natural disasters and acts of terrorism could cause disruptions in our or our customers' businesses, national economies or the world economy as a whole. In addition, computer malware, viruses and computer hacking, fraudulent use attempts and phishing attacks have become more prevalent in our industry, and our internal systems may be victimized by such attacks. Although we maintain incident management and disaster response plans, in the event of a major disruption caused by a natural disaster or man-made problem, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our development activities, lengthy interruptions in service, breaches of data security and loss of critical data. Though it is difficult to determine what, if any, harm may directly result from any specific interruption or attack, any failure to maintain performance, reliability, security and availability of our platform to the satisfaction of our users may materially harm our reputation and our ability to retain existing customers and attract new customers.

We incorporate technology from third parties into our cloud platform, and our inability to obtain or maintain rights to the technology could harm our business.

We license software and other technology from third parties that we incorporate into or integrate with, our cloud platform. We cannot be certain that our licensors are not infringing the intellectual property rights of third parties or that our licensors have sufficient rights to the licensed intellectual property in all jurisdictions in which we may sell our services. In addition, many licenses are non-exclusive, and therefore our competitors may have access to the same technology licensed to us. Some of our agreements with our licensors may be terminated for convenience by them, or otherwise provide for a limited term. If we are unable to continue to license any of this technology for any reason, our ability to develop and sell our services containing such technology could be harmed. Similarly, if we are unable to license necessary technology from third parties now or in the future, we may be forced to acquire or develop alternative technology, which we may be unable to do in a commercially feasible manner or at all, and we may be required to use alternative technology of lower quality or performance standards. This could limit and delay our ability to offer new or competitive products and services and increase our costs of production. As a result, our business and results of operations could be significantly harmed. Additionally, as part of our longer-term strategy, we plan to open our cloud security platform to third-party developers and applications to further extend its functionality. We cannot be certain that such efforts to grow our business will be successful.

Some of our technology incorporates "open source" software, and we license some of our software through open source projects, which could negatively affect our ability to sell our platform and subject us to possible litigation.

Our solutions incorporate software licensed by third parties under open source licenses, including open source software included in software we receive from third-party commercial software vendors. Use of open source software may entail greater risks than use of third-party commercial software, as open source licensors generally do not provide support, updates or warranties or other contractual protections regarding infringement claims or the quality of the code In addition, the wide availability of source code used in our solutions could

expose us to security vulnerabilities. Furthermore, the terms of many open source licenses have not been interpreted by U.S. courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market or commercialize our solutions. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open source software. Litigation could be costly for us to defend, have a negative effect on our results of operations and financial condition or require us to devote additional research and development resources to change our solutions. In addition, by the terms of some open source licenses, under certain conditions we could be required to release the source code of our proprietary software, and to make our proprietary software available under open source licenses, including authorizing further modification and redistribution. In the event that portions of our proprietary software are determined to be subject to such requirements by an open source license, we could be required to publicly release the affected portions of our source code, re-engineer all or a portion of our platform or otherwise be limited in the licensing of our services, each of which provide an advantage to our competitors or other entrants to the market, create security vulnerabilities in our solutions and could reduce or eliminate the value of our services. Further, if we are held to have breached or otherwise failed to comply with the terms of an open source software license, we could be required to release certain of our proprietary source code under open source licenses, pay monetary damages, seek licenses from third parties to continue offering our services on terms that are not economically feasible or be subject to injunctions that could require us to discontinue the sale of our services if re-engineering could not be accomplished on a timely basis. Many of the risks associated with use of open source software cannot be eliminated and could negatively affect our business. Moreover, we cannot assure you that our processes for controlling our use of open source software in our platform will be effective.

Responding to any infringement or noncompliance claim by an open source vendor, regardless of its validity, or discovering open source software code in our platform could harm our business, operating results and financial condition, by, among other things:

- resulting in time-consuming and costly litigation;
- diverting management's time and attention from developing our business;
- requiring us to pay monetary damages or enter into royalty and licensing agreements that we would not normally find acceptable;
- causing delays in the deployment of our platform or service offerings to our customers;
- requiring us to stop offering certain services on or features of our platform;
- requiring us to redesign certain components of our platform using alternative non-infringing or non-open source technology, which could require significant effort and expense;
- requiring us to disclose our software source code and the detailed program commands for our software; and
- requiring us to satisfy indemnification obligations to our customers.

We rely on third parties for certain essential financial and operational services, and a failure or disruption in these services could materially and adversely affect our ability to manage our business effectively.

We rely on third parties to provide many essential financial and operational services to support our business. Many of these vendors are less established and have shorter operating histories than traditional software vendors. Moreover, these vendors provide their services to us via a cloud-based model instead of software that is installed on our premises. As a result, we depend upon these vendors to provide us with services that are always available and are free of errors or defects that could cause disruptions in our business processes. Any failure by these vendors to do so, or any disruption in our ability to access the internet, would materially and adversely affect our ability to manage our operations.

We rely on a limited number of suppliers for certain components of the equipment we use to operate our cloud platform, and any disruption in the availability of these components could delay our ability to expand or increase the capacity of our global data center network or replace defective equipment in our existing data centers.

We rely on a limited number of suppliers for several components of the equipment we use to operate our cloud platform and provide services to our customers. Our reliance on these suppliers exposes us to risks, including reduced control over production costs and constraints based on the then current availability, terms and pricing of these components. For example, we generally purchase these components on a purchase order basis, and do not have long-term contracts guaranteeing supply. In addition, the technology industry has experienced component shortages and delivery delays in the past, and we may experience shortages or delays, including as a result of natural disasters, increased demand in the industry or if our suppliers do not have sufficient rights to supply the components in all jurisdictions in which we may host our services. If our supply of certain components is disrupted or delayed, there can be no assurance that additional supplies or components can serve as adequate replacements for the existing components or that supplies will be available on terms that are favorable to us, if at all. Any disruption or delay in the supply of our components may delay opening new data centers, delay increasing capacity or replacing defective equipment at existing data centers or cause other constraints on our operations that could damage our channel partner or customer relationships.

Claims by others that we infringe their proprietary technology or other rights, such as the lawsuits filed by Symantec Corporation, or other lawsuits asserted against us, could result in significant costs and substantially harm our business, financial condition, results of operations and prospects.

A number of companies in our industry hold a large number of patents and also protect their copyright, trade secret and other intellectual property rights, and companies in the networking and security industry frequently enter into litigation based on allegations of patent infringement or other violations of intellectual property rights. In addition, patent holding companies seek to monetize patents they previously developed, have purchased or otherwise obtained. Many companies, including our competitors, may now, and in the future, have significantly larger and more mature patent, copyright, trademark and trade secret portfolios than we have, which they may use to assert claims of infringement, misappropriation and other violations of intellectual property rights against us. In addition, future litigation may involve non-practicing entities or other patent owners who have no relevant product offerings or revenue and against whom our own patents may therefore provide little or no deterrence or protection. As we face increasing competition and gain an increasingly higher profile, including as a result of becoming a public company, the possibility of intellectual property rights claims against us grows. Third parties have asserted in the past and may in the future assert claims of infringement of intellectual property rights against us and these claims, even without merit, could harm our business, including by increasing our costs, reducing our revenue, creating customer concerns that result in delayed or reduced sales, distracting our management from the running of our business and requiring us to cease use of important intellectual property. In addition, because patent applications can take years to issue and are often afforded confidentiality for some period of time, there may currently be pending applications, unknown to us, that later result in issued patents that could cover one or more of our services. Moreover, in a patent infringement claim against us, we may assert, as a defense, that we do not infringe the relevant patent claims, that the patent is invalid or both. The strength of our defenses will depend on the patents asserted, the interpretation of these patents, and our ability to invalidate the asserted patents. However, we could be unsuccessful in advancing non-infringement and/or invalidity arguments in our defense. In the United States, issued patents enjoy a presumption of validity, and the party challenging the validity of a patent claim must present clear and convincing evidence of invalidity, which is a high burden of proof. Conversely, the patent owner need only prove infringement by a preponderance of the evidence, which is a lower burden of proof. Furthermore, because of the substantial amount of discovery required in connection with patent and other intellectual property rights litigation, there is a risk that some of our confidential information could be compromised by the discovery process.

For example, we are currently involved in legal proceedings with Symantec Corporation, or Symantec, and Finjan, Inc., or Finjan. For additional details, see the section entitled “Business—Legal Proceedings.” We are

vigorously defending ourselves against these claims; however, we cannot assure you that we will be successful in defending against these lawsuits or any future allegations of infringement. Given the early stage in these lawsuits, we are unable to predict the likelihood of success in defending against these infringement claims. If we are not successful, we could be required to pay substantial damages for past and future sales and/or licensing of our services, enjoined from making, using, selling or otherwise offering our services if a license or other right to continue selling our services is not made available to us, and required to pay substantial ongoing royalties and comply with unfavorable terms even if such a license is made available to us. Any of these outcomes could result in a material adverse effect on our business. Even if we were to prevail, these lawsuits, and any other third-party infringement claims, could be costly and time-consuming, divert the attention of our management and key personnel from our business operations, deter channel partners from selling or licensing our services and dissuade potential customers from purchasing our services, which would also materially harm our business. In addition, any public announcements of the results of any proceedings in these or other third-party infringement claims could be negatively perceived by industry or financial analysts and investors and could cause our stock price to experience volatility or decline. The expense of litigation and the timing of this expense from period to period are difficult to estimate, subject to change and could adversely affect our results of operations.

As the number of products and competitors in our market increases and overlaps occur, claims of infringement, misappropriation and other violations of intellectual property rights may increase. Our insurance may not cover intellectual property rights infringement claims. Third parties have in the past and may in the future also assert infringement claims against our customers or channel partners, with whom our agreements may obligate us to indemnify against these claims. In addition, to the extent we hire personnel from competitors, we may be subject to allegations that such employees have divulged proprietary or other confidential information to us.

In the event that we fail to successfully defend ourselves against an infringement claim, a successful claimant could secure a judgment or otherwise require payment of legal fees, settlement payments, ongoing royalties or other costs or damages; or we may agree to a settlement that prevents us from offering certain services or features; or we may be required to obtain a license, which may not be available on reasonable terms, or at all, to use the relevant technology. If we are prevented from using certain technology or intellectual property, we may be required to develop alternative, non-infringing technology, which could require significant time, during which we could be unable to continue to offer our affected services or features, effort and expense and may ultimately not be successful.

From time to time, the U.S. Supreme Court, other U.S. federal courts and the U.S. Patent and Trademark Appeals Board, and their foreign counterparts, have made and may continue to make changes to the interpretation of patent laws in their respective jurisdictions. We cannot predict future changes to the interpretation of existing patent laws or whether U.S. or foreign legislative bodies will amend such laws in the future. Any changes may lead to uncertainties or increased costs and risks surrounding the outcome of third-party infringement claims brought against us and the actual or enhanced damages, including treble damages, that may be awarded in connection with any such current or future claims and could have a material adverse effect on our business and financial condition.

Any of these events could materially and adversely harm our business, financial condition and results of operations.

We may become involved in other litigation that may materially adversely affect us.

From time to time, we may become involved in various legal proceedings relating to matters incidental to the ordinary course of our business, including patent, commercial, product liability, employment, class action, whistleblower and other litigation and claims, and governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management’s attention and resources, cause us to incur significant expenses or liability and/or require us to change our business practices. In addition, the expense

of litigation and the timing of this expense from period to period are difficult to estimate, subject to change and could adversely affect our results of operations. Because of the potential risks, expenses and uncertainties of litigation, we may, from time to time, settle disputes, even where we have meritorious claims or defenses, by agreeing to settlement agreements. Because litigation is inherently unpredictable, we cannot assure you that the results of any of these actions will not have a material adverse effect on our business, financial condition, results of operations and prospects.

The success of our business depends in part on our ability to protect and enforce our intellectual property rights.

We believe our intellectual property is an essential asset of our business, and our success and ability to compete depend in part upon protection of our intellectual property rights. We rely on a combination of patent, copyright, trademark and trade secret laws, as well as confidentiality procedures and contractual provisions, to establish and protect our intellectual property rights, all of which provide only limited protection. The efforts we have taken to protect our intellectual property rights may not be sufficient or effective, and our patents, trademarks and copyrights may be held invalid or unenforceable. Moreover, we cannot assure you that any patents will be issued with respect to our currently pending patent applications in a manner that gives us adequate defensive protection or competitive advantages, or that any patents issued to us will not be challenged, invalidated or circumvented. We have filed for patents in the United States and in certain non-U.S. jurisdictions, but such protections may not be available in all countries in which we operate or in which we seek to enforce our intellectual property rights, or may be difficult to enforce in practice. For example, many foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, many countries limit the enforceability of patents against certain third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. Moreover, we may need to expend additional resources to defend our intellectual property rights in these countries, and our inability to do so could impair our business or adversely affect our international expansion. Our currently issued patents and any patents that may be issued in the future with respect to pending or future patent applications may not provide sufficiently broad protection or they may not prove to be enforceable in actions against alleged infringers. Additionally, the U.S. Patent and Trademark Office and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process and to maintain issued patents. There are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. If this occurs, it could materially harm our business, operating results, financial condition and prospects.

We may not be effective in policing unauthorized use of our intellectual property rights, and even if we do detect violations, litigation may be necessary to enforce our intellectual property rights. Protecting against the unauthorized use of our intellectual property rights, technology and other proprietary rights is expensive and difficult, particularly outside of the United States. Any enforcement efforts we undertake, including litigation, could be time-consuming and expensive and could divert management’s attention, either of which could harm our business, operating results and financial condition. Further, attempts to enforce our rights against third parties could also provoke these third parties to assert their own intellectual property or other rights against us, or result in a holding that invalidates or narrows the scope of our rights, in whole or in part. The inability to adequately protect and enforce our intellectual property and other proprietary rights could seriously harm our business, operating results, financial condition and prospects. Even if we are able to secure our intellectual property rights, we cannot assure you that such rights will provide us with competitive advantages or distinguish our services from those of our competitors or that our competitors will not independently develop similar technology, duplicate any of our technology, or design around our patents.

Our business depends, in part, on sales to government organizations, and significant changes in the contracting or fiscal policies of such government organizations could have an adverse effect on our business and operating results.

We derive a portion of our revenue from contracts with government organizations, and we believe the success and growth of our business will in part depend on our successful procurement of additional public sector customers. However, demand from government organizations is often unpredictable, and we cannot assure you that we will be able to maintain or grow our revenue from the public sector. Sales to government entities are subject to substantial risks, including the following:

- selling to government agencies can be highly competitive, expensive and time-consuming, often requiring significant upfront time and expense without any assurance that such efforts will generate a sale;
- U.S. or other government certification requirements applicable to our cloud platform, including the Federal Risk and Authorization Management Program, are often difficult and costly to obtain and maintain and failure to do so will restrict our ability to sell to government customers;
- government demand and payment for our services may be impacted by public sector budgetary cycles and funding authorizations; and
- governments routinely investigate and audit government contractors' administrative processes and any unfavorable audit could result in fines, civil or criminal liability, further investigations, damage to our reputation and debarment from further government business.

The occurrence of any of the foregoing could cause governments and governmental agencies to delay or refrain from purchasing our solutions in the future or otherwise have an adverse effect on our business and operating results.

Failure to comply with laws and regulations applicable to our business could subject us to fines and penalties and could also cause us to lose customers in the public sector or negatively impact our ability to contract with the public sector.

Our business is subject to regulation by various federal, state, local and foreign governmental agencies, including agencies responsible for monitoring and enforcing privacy and data protection laws and regulations, employment and labor laws, workplace safety, product safety, environmental laws, consumer protection laws, anti-bribery laws, import and export controls, federal securities laws and tax laws and regulations. In certain jurisdictions, these regulatory requirements may be more stringent than in the United States. These laws and regulations impose added costs on our business. Noncompliance with applicable regulations or requirements could subject us to:

- investigations, enforcement actions and sanctions;
- mandatory changes to our cloud platform;
- disgorgement of profits, fines and damages;
- civil and criminal penalties or injunctions;
- claims for damages by our customers or channel partners;
- termination of contracts;
- loss of intellectual property rights; and
- temporary or permanent debarment from sales to government organizations.

If any governmental sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, operating results and financial condition could be adversely affected. In addition,

responding to any action will likely result in a significant diversion of management's attention and resources and an increase in professional fees. Enforcement actions and sanctions could materially harm our business, operating results and financial condition.

We endeavor to properly classify employees as exempt versus non-exempt under applicable law. Although there are no pending or threatened material claims or investigations against us asserting that some employees are improperly classified as exempt, the possibility exists that some of our current or former employees could have been incorrectly classified as exempt employees.

In addition, we must comply with laws and regulations relating to the formation, administration and performance of contracts with the public sector, including U.S. federal, state and local governmental organizations, which affect how we and our channel partners do business with governmental agencies. Selling our solutions to the U.S. government, whether directly or through channel partners, also subjects us to certain regulatory and contractual requirements. Failure to comply with these requirements by either us or our channel partners could subject us to investigations, fines and other penalties, which could have an adverse effect on our business, operating results, financial condition and prospects. As an example, the U.S. Department of Justice, or DOJ, and the General Services Administration, or GSA, have in the past pursued claims against and financial settlements with IT vendors under the False Claims Act and other statutes related to pricing and discount practices and compliance with certain provisions of GSA contracts for sales to the federal government. The DOJ and GSA continue to actively pursue such claims. Violations of certain regulatory and contractual requirements could also result in us being suspended or debarred from future government contracting. Any of these outcomes could have a material adverse effect on our revenue, operating results, financial condition and prospects.

These laws and regulations impose added costs on our business, and failure to comply with these or other applicable regulations and requirements could lead to claims for damages from our channel partners or customers, penalties, termination of contracts, loss of exclusive rights in our intellectual property and temporary suspension or permanent debarment from government contracting. Any such damages, penalties, disruptions or limitations in our ability to do business with the public sector could have a material adverse effect on our business and operating results.

If we were not able to satisfy data protection, security, privacy and other government- and industry-specific requirements or regulations, our business, results of operations and financial condition could be harmed.

Personal privacy, data protection, information security and other telecommunications regulations are significant issues in the United States, Europe and in other jurisdictions where we offer our solutions. The regulatory framework for privacy and security matters is rapidly evolving and is likely to remain uncertain for the foreseeable future. Our handling of data is subject to a variety of laws and regulations, including regulation by various government agencies.

The U.S. federal government, and various state and foreign governments, have adopted or proposed limitations on the collection, distribution, use and storage of personally identifiable information of individuals. Laws and regulations outside the United States, and particularly in Europe, often are more restrictive than those in the United States. Such laws and regulations may require companies to implement privacy and security policies, permit customers to access, correct and delete personal information stored or maintained by such companies, inform individuals of security breaches that affect their personal information, and, in some cases, obtain individuals' consent to use personally identifiable information for certain purposes. In addition, some foreign governments require that any personally identifiable information collected in a country not be disseminated outside of that country. We also may find it necessary or desirable to join industry or other self-regulatory bodies or other information security or data protection-related organizations that require compliance with their rules pertaining to information security and data protection. We also may be bound by additional, more stringent contractual obligations relating to our collection, use and disclosure of personal, financial and other data.

We also expect that there will continue to be new proposed laws, regulations and industry standards concerning privacy, data protection, information security and telecommunications services in the United States, the European Union and other jurisdictions in which we operate or may operate, and we cannot yet determine the impact such future laws, regulations and standards may have on our business. For example, the European Commission recently adopted the General Data Protection Regulation, effective in May 2018, that will supersede current EU data protection legislation, impose more stringent EU data protection requirements and provide for greater penalties for noncompliance. In addition, changes in laws or regulations that adversely affect the use of the internet, including laws impacting net neutrality, could impact our business. Further, China and Russia, countries in which we offer our solutions, recently enacted legislation prohibiting certain technologies, and it is not clear how broadly such prohibitions will be interpreted or applied in relation to our business. We expect that existing laws, regulations and standards may be interpreted in new manners in the future. Future laws, regulations, standards and other obligations, and changes in the interpretation of existing laws, regulations, standards and other obligations could require us to modify our solutions, restrict our business operations, increase our costs and impair our ability to maintain and grow our customer base and increase our revenue.

Although we work to comply with applicable laws and regulations, industry standards, contractual obligations and other legal obligations, those laws, regulations, standards and obligations are evolving and may be modified, interpreted and applied in an inconsistent manner from one jurisdiction to another, and may conflict with one another. In addition, they may conflict with other requirements or legal obligations that apply to our business or the security features and services that our customers expect from our solutions. As such, we cannot assure ongoing compliance with all such laws, regulations, standards and obligations. Any failure or perceived failure by us to comply with applicable laws, regulations, standards or obligations, or any actual or suspected security incident, whether or not resulting in unauthorized access to, or acquisition, release or transfer of personally identifiable information or other data, may result in governmental enforcement actions and prosecutions, private litigation, fines and penalties or adverse publicity, and could cause our customers to lose trust in us, which could have an adverse effect on our reputation and business. Any inability to adequately address privacy and security concerns, even if unfounded, or comply with applicable laws, regulations, standards and obligations, could result in additional cost and liability to us, damage our reputation, inhibit sales, and materially and adversely affect our business and operating results.

We are subject to anti-corruption, anti-bribery and similar laws, and noncompliance with such laws can subject us to criminal penalties or significant fines and harm our business and reputation.

We are subject to the U.S. Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other anti-corruption, anti-bribery, anti-money laundering and similar laws in the United States and other countries in which we conduct activities. Anti-corruption and anti-bribery laws, which have been enforced aggressively and are interpreted broadly, prohibit companies and their employees and agents from promising, authorizing, making or offering improper payments or other benefits to government officials and others in the private sector. We leverage third parties, including channel partners, to sell subscriptions to our platform and conduct our business abroad. We and these third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and we may be held liable for the corrupt or other illegal activities of these third-party business partners and intermediaries, our employees, representatives, contractors, channel partners and agents, even if we do not explicitly authorize such activities. While we have policies and procedures to address compliance with such laws, we cannot assure you that all of our employees and agents will not take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. As we increase our international sales and business, our risks under these laws may increase. Noncompliance with these laws could subject us to investigations, severe criminal or civil sanctions, settlements, prosecution, loss of export privileges, suspension or debarment from U.S. government contracts, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, whistleblower complaints, adverse media coverage and other consequences. Any investigations, actions or sanctions could materially harm our reputation, business, results of operations and financial condition.

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

Our business activities are subject to various restrictions under U.S. export and similar laws and regulations, including the U.S. Department of Commerce's Export Administration Regulations and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control. The U.S. export control laws and U.S. economic sanctions laws include restrictions or prohibitions on the sale or supply of certain products and services to U.S. embargoed or sanctioned countries, governments, persons and entities. In addition, various countries regulate the import of certain technology and have enacted or could enact laws that could limit our ability to provide our services and operate our cloud platform or could limit our customers' ability to access or use our services in those countries.

Although we take precautions to prevent our services from being provided in violation of such laws, our services may have been in the past, and could in the future be, provided inadvertently in violation of such laws, despite the precautions we take. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to civil or criminal penalties, including the possible loss of export privileges and fines. We may also be materially and adversely affected through penalties, reputational harm, loss of access to certain markets, or otherwise. Obtaining the necessary authorizations, including any required license, for a particular transaction may be time-consuming, is not guaranteed and may result in the delay or loss of sales opportunities. In addition, changes in our platform, or changes in export, sanctions and import laws, could delay the introduction and sale of subscriptions to our platform in international markets, prevent users in certain countries from accessing our services or, in some cases, prevent the provision of our services to certain countries, governments, persons or entities altogether. Any change in export or import regulations, economic sanctions or related laws, shift in the enforcement or scope of existing regulations or change in the countries, governments, persons or technologies targeted by such regulations could decrease our ability to sell subscriptions to our platform to existing customers or potential new customers with international operations. Any decrease in our ability to sell subscriptions to our platform could materially and adversely affect our business, results of operations and financial condition.

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

Historically, we have derived a significant portion of our revenue from outside the United States. We derived approximately 57%, 56% and 54% of our revenue from our international customers for fiscal 2015, 2016 and 2017, respectively, and we derived approximately 53% of our revenue from our international customers for the six months ended January 31, 2018. We are continuing to adapt to and develop strategies to address international markets and our growth strategy includes expansion into target geographies, such as Japan and the Asia-Pacific region, but there is no guarantee that such efforts will be successful. As of July 31, 2017, approximately 52% of our full-time employees were located outside of the United States. We expect that our international activities will continue to grow in the future, as we continue to pursue opportunities in international markets. These international operations will require significant management attention and financial resources and are subject to substantial risks, including:

- political, economic and social uncertainty;
- unexpected costs for the localization of our services, including translation into foreign languages and adaptation for local practices and regulatory requirements;
- greater difficulty in enforcing contracts and accounts receivable collection, and longer collection periods;
- reduced or uncertain protection for intellectual property rights in some countries;
- greater risk of unexpected changes in regulatory practices, tariffs and tax laws and treaties;

- greater risk of a failure of foreign employees, partners, distributors and resellers to comply with both U.S. and foreign laws, including antitrust regulations, anti-bribery laws, export and import control laws, and any applicable trade regulations ensuring fair trade practices;
- requirements to comply with foreign privacy, data protection and information security laws and regulations and the risks and costs of noncompliance;
- increased expenses incurred in establishing and maintaining office space and equipment for our international operations;
- greater difficulty in identifying, attracting and retaining local qualified personnel, and the costs and expenses associated with such activities;
- differing employment practices and labor relations issues;
- difficulties in managing and staffing international offices and increased travel, infrastructure and legal compliance costs associated with multiple international locations; and
- fluctuations in exchange rates between the U.S. dollar and foreign currencies in markets where we do business, including the British Pound, Indian Rupee and Euro, and related impact on sales cycles.

As we continue to develop and grow our business globally, our success will depend, in large part, on our ability to anticipate and effectively manage these risks. The expansion of our existing international operations and entry into additional international markets will require significant management attention and financial resources. Our failure to successfully manage our international operations and the associated risks could limit the future growth of our business.

Our failure to raise additional capital necessary to expand our operations and invest in new solutions could reduce our ability to compete and could harm our business.

We expect that our existing cash and cash equivalents and short-term investments, together with the net proceeds that we receive in this offering, will be sufficient to meet our anticipated cash needs for working capital and capital expenditures for at least the next 12 months. We may, however, need to raise additional funds in the future to fund our operating expenses, make capital purchases and acquire or invest in business or technology, and we may not be able to obtain those funds on favorable terms, or at all. If we raise additional equity financing, our stockholders may experience significant dilution of their ownership interests and the per share value of our common stock could decline. Furthermore, if we engage in debt financing, the holders of debt would have priority over the holders of our common stock, and we may be required to accept terms that restrict our ability to incur additional indebtedness or our ability to pay any dividends on our common stock, though we do not intend to pay dividends in the foreseeable future. We may also be required to take other actions, any of which could harm our business and operating results. If we are unable to obtain adequate financing, or financing on terms satisfactory to us, when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly limited, and our business, operating results, financial condition and prospects could be materially and adversely affected.

Adverse economic conditions or reduced IT security spending may adversely impact our revenue and profitability.

Our operations and performance depend in part on worldwide economic conditions and the impact these conditions have on levels of spending on IT networking and security solutions. Our business depends on the overall demand for these solutions and on the economic health and general willingness of our current and prospective customers to purchase our security services. Weak economic conditions, or a reduction in IT security spending, could materially and adversely affect our business, operating results and financial condition in a number of ways, including by reducing sales, lengthening sales cycles and lowering prices for our services.

Certain estimates of market opportunity and forecasts of market growth included in this prospectus may prove to be inaccurate.

This prospectus includes our internal estimates of the addressable market for security appliances. Market opportunity estimates and growth forecasts, whether obtained from third-party sources or developed internally, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The estimates and forecasts in this prospectus relating to the size and expected growth of our target market, market demand and adoption, capacity to address this demand, and pricing may prove to be inaccurate. In particular, our estimates regarding our current and projected market opportunity are difficult to predict. In addition, our internal estimates of the addressable market for security appliances reflect the opportunity available from all participants and potential participants in the market. The addressable market we estimate may not materialize for many years, if ever, and even if the markets in which we compete meet the size estimates and growth forecasted in this prospectus, our business could fail to grow at similar rates, if at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties. Accordingly, the forecasts of market growth included in this prospectus should not be taken as indicative of our future growth.

We believe our long-term value as a company will be greater if we focus on growth, which may negatively impact our profitability in the near term.

Part of our business strategy is to primarily focus on our long-term growth. As a result, our profitability may be lower in the near term, particularly in fiscal 2018, than it would be if our strategy were to maximize short-term profitability. Significant expenditures on sales and marketing efforts, and expenditures on growing our cloud platform and expanding our research and development, each of which we intend to continue to invest in, may not ultimately grow our business or cause long-term profitability. If we are ultimately unable to achieve profitability at the level anticipated by industry or financial analysts and our stockholders, our stock price may decline.

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

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and the rules and regulations of The Nasdaq Global Market, or Nasdaq. We expect that the requirements of these rules and regulations will increase our legal, accounting and financial compliance costs; make some activities more difficult, time-consuming and costly; and place significant strain on our personnel, systems and resources.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls, internal controls over financial reporting and other procedures that are designed to ensure information required to be disclosed by us in the reports that we will file with the U.S. Securities and Exchange Commission, or SEC, is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers.

Our current controls and any new controls we develop may become inadequate because of changes in conditions in our business. Further, weaknesses in our internal controls may be discovered in the future. Any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, could harm our operating results or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal controls also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we are required to include in our periodic reports we will file with the SEC

under Section 404 of the Sarbanes-Oxley Act. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the market price of our common stock.

In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal controls over financial reporting, we have expended and anticipate we will continue to expend significant resources, including accounting-related costs, and provide significant management oversight. Any failure to maintain the adequacy of our internal controls, or consequent inability to produce accurate financial statements on a timely basis, could increase our operating costs and could materially impair our ability to operate our business. If our internal controls are perceived as inadequate or we are unable to produce timely or accurate financial statements, investors may lose confidence in our operating results and our stock price could decline. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on Nasdaq.

We are not currently required to comply with the SEC rules that implement Sections 302 and 404 of the Sarbanes-Oxley Act, and we are therefore not required to make a formal assessment of the effectiveness of our internal controls over financial reporting for that purpose. Upon becoming a public company, we will be required to comply with certain of these rules, 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 on Form 10-K. To comply with the requirements of being a public company, we will need to undertake various actions, such as implementing new internal controls and procedures and hiring accounting or internal audit staff.

Our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting until after we are no longer an emerging growth company. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating. Any failure to maintain effective disclosure controls and internal control over financial reporting could have a material and adverse effect on our business and operating results and could cause a decline in the price of our stock.

We are exposed to fluctuations in currency exchange rates, which could negatively affect our operating results.

The vast majority of our sales contracts are denominated in U.S. dollars, and therefore, substantially all of our revenue is not subject to foreign currency risk. However, a strengthening of the U.S. dollar could increase the real cost of our solutions to our customers outside of the United States, which could adversely affect our financial condition and operating results. In addition, an increasing portion of our operating expenses is incurred outside the United States, is denominated in foreign currencies, such as the British Pound, Indian Rupee and Euro, and is subject to fluctuations due to changes in foreign currency exchange rates. If we become more exposed to currency fluctuations and are not able to successfully hedge against the risks associated with currency fluctuations, our operating results could be materially and adversely affected.

U.S. federal income tax reform could adversely affect us.

On December 22, 2017, President Trump signed into law legislation commonly referred to as the Tax Cuts and Jobs Act of 2017, or the Tax Act, which significantly reforms the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code. The Tax Act, among other things, includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of interest and the use of net operating losses generated in tax years beginning after December 31, 2017, allows for the expensing of capital expenditures, and puts into effect the migration from a “worldwide” system of taxation to a territorial system. We continue to examine the impact this tax reform legislation may have on our business, and the new tax law could have material adverse impacts on our business, cash flows, results of operations or financial conditions.

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

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

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

We are expanding our international operations and staff to support our business in international markets. Our corporate structure and associated transfer pricing policies contemplate the business flows and future growth into the international markets, and consider the functions, risks and assets of the various entities involved in the intercompany transactions. The amount of taxes we pay in different jurisdictions may depend on the application of the tax laws of the various jurisdictions, including the United States, to our international business activities, changes in tax rates, new or revised tax laws or interpretations of existing tax laws and policies, and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for pricing intercompany transactions pursuant to the intercompany arrangements or disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a challenge or disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows and lower overall profitability of our operations. Our financial statements could fail to reflect adequate reserves to cover such a contingency.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

As of July 31, 2017, we had net operating loss carryforwards for U.S. federal income tax purposes and state income tax purposes of $150.0 million and $68.3 million, respectively, available to offset future taxable income. If not utilized, both the federal and state tax credit carryforwards will begin to expire in fiscal 2024. Realization of these net operating loss and research tax credit carryforwards depends on future income, and there is a risk that our existing carryforwards could expire unused and be unavailable to offset future income tax liabilities, which could materially and adversely affect our results of operations.

In addition, under Section 382 of the Internal Revenue Code, if a corporation undergoes an “ownership change,” generally defined as a greater than 50% change (by value) in its equity ownership over a three-year period, the corporation’s ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes, such as research tax credits, to offset its post-change income may be limited. We do not expect to experience an ownership change in connection with this offering, though any such ownership change could result in increased future tax liability. In addition, we may experience ownership changes in the future as a result of subsequent shifts in our stock ownership. As a result, if we earn net taxable income, our ability to use our pre-change net operating loss carry-forwards to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us.

We have not yet determined the consequences to our business of the Tax Act, which could have a material impact on the value of our deferred tax assets and could increase our future U.S. tax expense. For example, the new tax laws impose an 80% limitation on the use of net operating losses that were generated in tax years beginning after December 31, 2017, creating the risk that net operating losses generated in the future could expire unused and be unavailable to offset future income tax liabilities.

Future acquisitions, strategic investments, partnerships or alliances could be difficult to identify and integrate, divert the attention of key management personnel, disrupt our business, dilute stockholder value and adversely affect our operating results, financial condition and prospects.

Our business strategy may, from time to time, include acquiring other complementary solutions, technologies or businesses. In order to expand our security offerings and features, we also may enter into relationships with other businesses, which could involve preferred or exclusive licenses, additional channels of distribution or investments in other companies. Negotiating these transactions can be time-consuming, difficult and costly, and our ability to close these transactions may be subject to third-party approvals, such as government regulatory approvals, which are beyond our control. Consequently, we cannot assure you that these transactions, once undertaken and announced, will close.

These kinds of acquisitions or investments may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, products and services, personnel or operations of companies that we may acquire, particularly if the key personnel of an acquired business choose not to work for us. We may have difficulty retaining the customers of any acquired business or using or continuing the development of the acquired technologies. Acquisitions may also disrupt our ongoing business, divert our resources and require significant management attention that would otherwise be available for development of our business. We may not successfully evaluate or utilize the acquired technology or personnel, or accurately forecast the financial impact of an acquisition transaction, including accounting charges. Any acquisition or investment could expose us to unknown liabilities. Moreover, we cannot assure you that the anticipated benefits of any acquisition or investment would be realized or that we would not be exposed to unknown liabilities. In connection with these types of transactions, we may:

- issue additional equity securities that would dilute our stockholders;
- use cash that we may need in the future to operate our business;
- incur debt on terms unfavorable to us or that we are unable to repay;
- incur large charges or substantial liabilities;
- encounter difficulties integrating diverse business cultures; and
- become subject to adverse tax consequences, substantial depreciation or deferred compensation charges.

These challenges related to acquisitions or investments could adversely affect our business, operating results, financial condition and prospects.

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

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” 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 that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our consolidated financial statements include those related to determination of revenue recognition, deferred revenue and deferred contract acquisition costs, specifically related to our adoption of the new revenue recognition standard; allowance for doubtful accounts; valuation of common stock options; useful lives of property and equipment; the period of benefit generated from our deferred contract acquisition costs; loss contingencies related to litigation; and valuation of deferred tax assets. 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 industry or financial analysts and investors, resulting in a decline in the trading price of our common stock.

Additionally, we regularly monitor our compliance with applicable financial reporting standards and review new pronouncements and drafts thereof that are relevant to us. As a result of new standards, changes to existing standards and changes in their interpretation, we might be required to change our accounting policies, alter our operational policies and implement new or enhance existing systems so that they reflect new or amended financial reporting standards, or we may be required to restate our published financial statements. Such changes to existing standards or changes in their interpretation may have an adverse effect on our reputation, business, financial position and profit, or cause an adverse deviation from our revenue and operating profit target, which may negatively impact our financial results.

Risks Related to the Offering and Ownership of our Common Stock

The concentration of our stock ownership with insiders will likely limit your ability to influence corporate matters, including the ability to influence the outcome of director elections and other matters requiring stockholder approval.

We anticipate that our executive officers, directors, current 5% or greater stockholders and affiliated entities will together beneficially own approximately % of our common stock outstanding after this offering (or % if the underwriters exercise their over-allotment option in full), with Jay Chaudhry, our president, chief executive officer and chairman of our board of directors, and his affiliates beneficially owning approximately % (or % if the underwriters exercise their over-allotment option in full) of our common stock. As a result, these stockholders, acting together, will have control over most matters that require approval by our stockholders, including the election of directors and approval of significant corporate transactions. Corporate action might be taken even if other stockholders, including those who purchase shares in this offering, oppose them. This concentration of ownership might also have the effect of delaying or preventing a change of control of us that other stockholders may view as beneficial.

The issuance of additional stock in connection with financings, acquisitions, investments, our stock incentive plans or otherwise will dilute all other stockholders.

Our amended and restated certificate of incorporation that will be in effect upon completion of this offering authorizes us to issue up to one billion shares of common stock and up to two hundred million shares of preferred stock with such rights and preferences as may be determined by our board of directors. Subject to compliance with applicable rules and regulations, we may issue shares of common stock or securities convertible into shares of our common stock from time to time in connection with a financing, acquisition, investment, our stock incentive plans or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and cause the market price of our common stock to decline.

Because the initial public offering price of our common stock will be substantially higher than the pro forma net tangible book value per share of our outstanding common stock following this offering, new investors will experience immediate and substantial dilution.

The initial public offering price of our common stock will be substantially higher than the pro forma net tangible book value per share of our common stock immediately following this offering, based on the total value of our tangible assets less our total liabilities. Therefore, if you purchase shares of our common stock in this offering, you will experience immediate dilution of $ per share, the difference between the price per share you pay for our common stock and its pro forma net tangible book value per share as of January 31, 2018, after giving effect to the issuance of shares of our common stock in this offering and assuming an initial public offering price of $ per share, the midpoint of the range on the cover page of this prospectus. Furthermore, if

the underwriters exercise their over-allotment option in full, outstanding options are exercised, we issue awards to our employees under our equity incentive plans or we otherwise issue additional shares of our common stock, you could experience further dilution. See "Dilution" for more information.

An active public trading market may not develop or be sustained following this offering.

Prior to this offering, there has been no public market or active private market for our common stock. We have applied to list our common stock on Nasdaq; however, an active trading market may not develop following the completion of this offering or, if developed, may not be sustained. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the market price of your shares of common stock. An inactive market may also impair our ability to raise capital by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration. We cannot predict the prices at which our common stock will trade. The initial public offering price of our common stock will be determined by negotiations between us and the underwriters and may not bear any relationship to the market price at which our common stock will trade after this offering or to any other established criteria of the value of our business and prospects.

Certain provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove members of our board of directors or current management and may adversely affect the market price of our common stock.

Our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect upon completion of this offering contain provisions that could delay or prevent a change in control of our company. These provisions could also make it difficult for stockholders to elect directors that are not nominated by the current members of our board of directors or take other corporate actions, including effecting changes in our management. These provisions include:

- a classified board of directors with three-year staggered terms, which could delay the ability of stockholders to change the membership of a majority of our board of directors;
- the ability of our board of directors to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of our board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by the chairperson of our board of directors, chief executive officer or president (in the absence of a chief executive officer) or a majority vote of our board of directors, which could delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;
- the requirement for the affirmative vote of holders of at least 66 ⅔% of the voting power of all of the then outstanding shares of the voting stock, voting together as a single class, to amend the provisions of our amended and restated certificate of incorporation relating to the issuance of preferred stock and management of our business or our amended and restated bylaws, which may inhibit the ability of an acquirer to affect such amendments to facilitate an unsolicited takeover attempt;
- the ability of our board of directors, by majority vote, to amend our amended and restated bylaws, which may allow our board of directors to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquirer to amend our amended and restated bylaws to facilitate an unsolicited takeover attempt; and

- advance notice procedures with which stockholders must comply to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may 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 us.

These provisions may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a certain period of time. See "Description of Capital Stock—Description of Certain Terms in Our Charter Document and Delaware Law."

The market price of our common stock may be volatile, and you could lose all or part of your investment.

There has been no public market for our common stock prior to this offering. The initial public offering price for our common stock will be determined through negotiations between us and the underwriters. The market price of our common stock following this offering may fluctuate substantially and may be lower than the initial public offering price. The market price of our common stock following this offering will depend on a number of factors, including those described in this "Risk Factors" section, many of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our common stock, since you might not be able to sell your shares at or above the price you paid in this offering. Factors that could cause fluctuations in the market price of our common stock include the following:

- actual or anticipated changes or fluctuations in our operating results;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- announcements by us or our competitors of new products or new or terminated significant contracts, commercial relationships or capital commitments;
- industry or financial analyst or investor reaction to our press releases, other public announcements and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- price and volume fluctuations in the overall stock market from time to time;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- the expiration of market stand-off or contractual lock-up agreements and sales of shares of our common stock by us or our stockholders;
- failure of industry or financial analysts to maintain coverage of us, changes in financial estimates by any analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property rights or our solutions, or third-party proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;

- any major changes in our management or our board of directors, particularly with respect to Mr. Chaudhry;
- general economic conditions and slow or negative growth of our markets; and
- other events or factors, including those resulting from war, incidents of terrorism or responses to these events.

In addition, the stock market in general, and the market for technology companies in particular, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors may seriously affect the market price of our common stock, regardless of our actual operating performance. In addition, in the past, following periods of volatility in the overall market and the market prices of a particular company's securities, securities class action litigation has often been instituted against that company. Securities litigation, if instituted against us, could result in substantial costs and divert our management's attention and resources from our business. This could have an adverse effect on our business, operating results and financial condition.

Sales of substantial amounts of our common stock in the public markets, or the perception that they might occur, could reduce the price that our common stock might otherwise attain and may dilute your voting power and your ownership interest in us.

Sales of a substantial number of shares of our common stock in the public market after this offering, particularly sales by our directors, executive officers and significant stockholders, or the perception that these sales could occur, could adversely affect the market price of our common stock and may make it more difficult for you to sell your common stock at a time and price that you deem appropriate. Based on the total number of outstanding shares of our common stock as of January 31, 2018, upon completion of this offering, we will have shares of common stock outstanding, assuming no exercise of our outstanding stock options after January 31, 2018 and assuming no exercise by the underwriters of their over-allotment option.

All of the shares of common stock sold in this offering, other than shares that may be purchased by entities associated with Charles Giancarlo, Lane Bess, Scott Darling and Karen Blasing, which will be subject to a lock-up agreement as described further below, will be freely tradable without restrictions or further registration under the Securities Act of 1933, as amended, or the Securities Act, except for any shares held by our affiliates as defined in Rule 144 under the Securities Act.

Subject to certain exceptions described in the section titled "Underwriting," we, all of our directors and executive officers and holders of substantially all of our common stock, or securities exercisable for or convertible into our common stock outstanding immediately prior to this offering, are subject to market stand-off agreements or have agreed not to offer, sell or agree to sell, directly or indirectly, any shares of common stock without the permission of Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC on behalf of the underwriters, for a period of 180 days from the date of this prospectus. When the lock-up period expires, we and our security holders subject to a lock-up agreement or market stand-off agreement will be able to sell our shares in the public market. In addition, the underwriters may, in their sole discretion, release all or some portion of the shares subject to lock-up agreements prior to the expiration of the lock-up period. See "Shares Eligible for Future Sale" for more information. Sales of a substantial number of such shares upon expiration of the lock-up and market stand-off agreements, or the perception that such sales may occur, or early release of these agreements, could cause our market price to fall or make it more difficult for you to sell your common stock at a time and price that you deem appropriate.

In addition, following this offering, holders of an aggregate of up to 108,751,142 shares of our common stock, based on shares outstanding as of January 31, 2018, will be entitled to rights with respect to registration of these shares under the Securities Act pursuant to our amended and restated investors' rights agreement. If these holders of our common stock, by exercising their registration rights, sell a large number of shares, they could

adversely affect the market price for our common stock. We also intend to register the offer and sale of all shares of common stock that we may issue under our equity compensation plans.

We may also issue our shares of common stock or securities convertible into shares of our common stock from time to time in connection with a financing, acquisition, investments or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and cause the market price of our common stock to decline.

We do not intend to pay dividends in the foreseeable future. As a result, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We have never declared or paid any cash dividends on our common stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any dividends on our common stock in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

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

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

We have broad discretion to determine how to use the funds raised in this offering, and we may use them in ways that may not enhance our operating results or the price of our common stock.

The principal purposes of this offering are to increase our capitalization and financial flexibility, to create a public market for our stock and thereby enable access to the public equity markets for our employees and stockholders, to obtain additional capital and to increase our visibility in the marketplace. We currently intend to use a significant portion of the net proceeds from this offering for general corporate purposes, including for any of the purposes described in “Use of Proceeds.” However, we do not currently have any specific or preliminary plans for the net proceeds from this offering and will have broad discretion in how we use the net proceeds of this offering. We could spend the proceeds from this offering in ways that our stockholders may not agree with or that do not yield a favorable return. You will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. Investors in this offering will need to rely upon the judgment of our management with respect to the use of proceeds. If we do not use the net proceeds that we receive in this offering effectively, our business, financial condition, results of operations and prospects could be harmed, and the market price of our common stock could decline.

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

Our amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, provides that the Court of Chancery of the State of Delaware is the exclusive forum for:

- any derivative action or proceeding brought on our behalf;
- any action asserting a breach of fiduciary duty;
- any action asserting a claim against us arising under the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws;
- any action to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws; and
- any action asserting a claim against us that is governed by the internal-affairs doctrine.

Our amended and restated certificate of incorporation further provides that the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

These exclusive-forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage lawsuits against us and our directors, officers and other employees. If a court were to find either exclusive-forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could seriously harm our business.

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

For so long as we remain an "emerging growth company" as defined in the JOBS Act, we may take advantage of certain exemptions from various requirements that are applicable to public companies that are not "emerging growth companies," including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We may take advantage of these exemptions until we are no longer an emerging growth company. We would cease to be an emerging growth company upon the earliest to occur of: (i) the first fiscal year following the fifth anniversary of our initial public offering; (ii) the first fiscal year after our annual gross revenue is $1.07 billion or more; (iii) the date on which we have, during the previous three-year period, issued more than $1.0 billion in non-convertible debt securities; or (iv) as of the end of any fiscal year in which the market value of our common stock held by non-affiliates exceeded $700.0 million as of the end of the second quarter of that fiscal year. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

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

As a public company, we will be subject to the reporting and corporate governance requirements of the Exchange Act, the listing requirements of Nasdaq and other applicable securities rules and regulations, including

the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources, particularly after we are no longer an "emerging growth company" as defined in the JOBS Act. Among other things, the Exchange Act requires that we file annual, quarterly and current reports with respect to our business and results of operations and maintain effective disclosure controls and procedures and internal control over financial reporting. In order to improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm our business, financial condition, results of operations and prospects. Although we have already hired additional personnel to help comply with these requirements, we may need to further expand our legal and finance departments in the future, which will increase our costs and expenses.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expense and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies, regulatory authorities may initiate legal proceedings against us and our business and prospects may be harmed. As a result of disclosure of information in the filings required of a public company and in this prospectus, our business and financial condition will become more visible, which may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business, financial condition, results of operations and prospects could be materially harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and materially harm our business, financial condition, results of operations and prospects.

We also expect that being a public company and these new rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified executive officers and members of our board of directors, particularly to serve on our audit committee and compensation committee.

In addition, as a result of our disclosure obligations as a public company, we will have reduced strategic flexibility and will be under pressure to focus on short-term results, which may materially and adversely affect our ability to achieve long-term profitability.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the sections entitled "Prospectus Summary," "Risk Factors," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business," and contains forward-looking statements. The words "believe," "may," "will," "potentially," "estimate," "continue," "anticipate," "intend," "could," "would," "project," "plan," "expect" and similar expressions that convey uncertainty of future events or outcomes are intended to identify forward-looking statements.

These forward-looking statements include, but are not limited to, statements concerning the following:

- our future financial performance, including our expectations regarding our revenue, cost of revenue, gross profit or gross margin, operating expenses (including changes in sales and marketing, research and development and general and administrative expenses), and our ability to achieve, and maintain, future profitability;
- market acceptance of our cloud platform;
- the effects of increased competition in our markets and our ability to compete effectively;
- our ability to maintain the security and availability of our cloud platform;
- our ability to maintain and expand our customer base, including by attracting new customers;
- our ability to develop new solutions, or enhancements to our existing solutions, and bring them to market in a timely manner;
- anticipated trends, growth rates and challenges in our business and in the markets in which we operate;
- our business plan and our ability to effectively manage our growth and associated investments;
- beliefs and objectives for future operations, including regarding our estimated total addressable market;
- our relationships with third parties, including channel partners;
- our ability to maintain, protect and enhance our intellectual property rights;
- our ability to successfully defend litigation brought against us;
- our ability to successfully expand in our existing markets and into new markets;
- sufficiency of cash to meet cash needs for at least the next 12 months;
- our ability to comply with laws and regulations that currently apply or become applicable to our business both in the United States and internationally;
- the attraction and retention of qualified employees and key personnel;
- our use of the net proceeds from this offering; and
- the future trading prices of our common stock.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this prospectus.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in "Risk Factors" and elsewhere in this prospectus. Moreover, we operate in a very competitive and rapidly changing environment, and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this prospectus to conform these statements to actual results or to changes in our expectations, except as required by law.

You should read this prospectus and the documents that we reference in this prospectus and have filed with the SEC as exhibits to the registration statement of which this prospectus is a part with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect.

MARKET AND INDUSTRY DATA

This prospectus includes industry and market data, estimates and forecasts that we obtained from industry publications and research, surveys, studies conducted by third parties as well as other information based on our internal sources. Industry publications and third-party research, surveys and studies generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. We are responsible for all of the disclosure contained in this prospectus and we believe these industry publications and third-party research, surveys and studies are reliable. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of important factors, including those described in the section titled "Risk Factors" and elsewhere in this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

Certain information in the text of this prospectus is contained in independent industry publications. The source of these independent industry publications is provided below:

- Cloud Shadow IT Survey conducted by Vanson Bourne on behalf of NTT Communications, March 2016.
- Forrester Research, Inc., The Forrester Wave: SaaS Web Content Security, Q2 2015, 26 June 2015.
- International Data Corporation, Inc., Worldwide Data Loss Prevention Forecast, 2016-2020, March 2016.
- International Data Corporation, Inc., Worldwide IT Security Products Forecast, 2017-2020: Comprehensive Security Products Forecast Review, March 2017.
- International Data Corporation, Inc., Worldwide Network Security Forecast, 2017-2021, September 2017.
- McKinsey & Company, IT as a service: From build to consume, September 2016.

USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of shares of our common stock offered by us in this offering at the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $ million, or approximately $ million if the underwriters exercise their over-allotment option in full.

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, respectively, the net proceeds to us from this offering by approximately $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions payable by us. Similarly, each 1.0 million increase or decrease in the number of shares offered by us would increase or decrease, respectively, the net proceeds to us from this offering by approximately $ million, assuming the initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions payable by us.

The principal purposes of this offering are to increase our capitalization and financial flexibility, to create a public market for our stock and thereby enable access to the public equity markets for our employees and stockholders, to obtain additional capital and to increase our visibility in the marketplace. We currently intend to use the net proceeds we receive from this offering primarily for general corporate purposes, including working capital, sales and marketing activities, research and development, general and administrative matters and capital expenditures, although we do not currently have any specific or preliminary plans with respect to the use of proceeds for such purposes. In addition, we may also use a portion of the net proceeds for the acquisition of, or investment in, technologies, solutions, products or businesses that complement our business, although we have no present commitments or agreements to enter into any material acquisitions or investments. We will have broad discretion over the uses of the net proceeds of this offering. Pending these uses, we intend to invest the net proceeds in short-term, investment-grade interest-bearing securities such as money market accounts, certificates of deposit, commercial paper and guaranteed obligations of the U.S. government.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not expect to pay any dividends on our capital stock in the foreseeable future. Any future determination to declare dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions and other factors that our board of directors may deem relevant.

CAPITALIZATION

The following table sets forth cash and cash equivalents, as well as our capitalization, as of January 31, 2018 on:

- an actual basis;
- a pro forma basis, to reflect (i) the automatic conversion of all outstanding shares of our convertible preferred stock into 108,751,142 shares of our common stock and (ii) the filing and effectiveness of our amended and restated certificate of incorporation in Delaware, each of which will occur immediately prior to the completion of this offering; and
- a pro forma as adjusted basis, to give further effect to the sale and issuance by us of shares of our common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

You should read this information together with our consolidated financial statements and related notes, and the sections titled "Selected Consolidated Financial and Other Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" that are included elsewhere in this prospectus.

	January 31, 2018		
	Actual	Pro Forma	Pro Forma As Adjusted(1)
	(in thousands, except share and per share data)		
Cash and cash equivalents	$ 71,569	$ 71,569	$
Redeemable convertible preferred stock; $0.001 par value; 109,085,770 shares authorized, actual; 108,751,142 shares issued and outstanding, actual; shares authorized, no shares issued and outstanding, pro forma and pro forma as adjusted	206,086	—	
Stockholders' (deficit) equity:			
Common stock; $0.001 par value; 190,000,000 shares authorized, actual; 49,247,024 shares issued and outstanding, actual; shares authorized, pro forma; 157,998,166 shares issued and outstanding, pro forma; shares authorized, pro forma as adjusted; shares issued and outstanding, pro forma as adjusted	28	137	
Additional paid-in capital	21,036	227,013	
Notes receivable from stockholders	(7,755)	(7,755)	
Accumulated deficit	(180,367)	(180,367)	
Total stockholders' (deficit) equity	(167,058)	39,028	
Total capitalization	$ 39,028	$ 39,028	$

(1) Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, respectively, the amount of cash and cash equivalents, additional paid-in capital, total stockholders' (deficit) equity and total capitalization by $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions. We may also increase or decrease the number of shares we are offering. An increase or decrease of 1.0 million in the number of shares we are offering would increase or decrease, respectively, the amount of cash and cash equivalents, additional paid-in capital, total stockholders' (deficit) equity and total capitalization by approximately $ million, assuming the initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions. The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

If the underwriters exercise their over-allotment option in full, pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' (deficit) equity, total capitalization and shares of common stock outstanding as of January 31, 2018, would be $ million, $ million, $ million, $ million and shares, respectively.

The number of shares of our common stock that will be outstanding after this offering is based on 157,998,166 shares of our common stock (including shares of our convertible preferred stock on an as-converted basis) outstanding as of January 31, 2018, and excludes:

- 22,424,824 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of January 31, 2018, with a weighted-average exercise price of $3.37 per share;
- No shares of our common stock issuable upon the exercise of options to purchase shares of our common stock granted after January 31, 2018; and
- shares of common stock reserved for future issuance under our 2018 Plan and shares of common stock reserved for future issuance under our ESPP.

Our 2018 Plan and our ESPP each provide for annual automatic increases in the number of shares reserved thereunder, and our 2018 Plan also provides for increases to the number of shares of common stock that may be granted thereunder based on shares underlying any awards under our 2007 Plan that expire, are forfeited or are otherwise terminated, as more fully described in the section titled "Executive Compensation—Employee Benefit and Stock Plans."

DILUTION

If you invest in our common stock, your interest will be diluted to the extent of the difference between the amount per share paid by purchasers of shares of common stock in this initial public offering and the pro forma as adjusted net tangible book value per share of common stock immediately after this offering.

Net tangible book value is determined by dividing our total tangible assets less our total liabilities by the number of shares of common stock outstanding. Our historical net tangible book value as of January 31, 2018 was approximately $(3.2) million, or $(0.07) per share. As of January 31, 2018, our pro forma net tangible book value was approximately $(3.2) million, or $(0.02) per share of common stock. Our pro forma net tangible book value per share represents the amount of our total tangible assets reduced by the amount of our total liabilities and divided by the total number of shares of our common stock outstanding as of January 31, 2018, after giving effect to the automatic conversion of all outstanding shares of our convertible preferred stock as of January 31, 2018 into 108,751,142 shares of common stock.

After giving effect to our sale in this offering of shares of our common stock, at an assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of January 31, 2018 would have been approximately $ million, or $ per share of our common stock. This represents an immediate increase in pro forma net tangible book value of $ per share to our existing stockholders and an immediate dilution of $ per share to investors purchasing shares in this offering at the assumed initial offering price. The following table illustrates this dilution:

Assumed initial public offering price per share		$
Pro forma net tangible book value per share as of January 31, 2018	$(0.02)	
Increase in pro forma net tangible book value per share attributable to new investors in this offering		
Pro forma net tangible book value per share, as adjusted to give effect to this offering		$
Dilution in pro forma net tangible book value per share, as adjusted to new investors in this offering		$

The dilution information discussed above is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing. A $1.00 increase or decrease in the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, respectively, our pro forma net tangible book value, as adjusted to give effect to this offering, by $ per share, the increase or decrease attributable to this offering by $ per share, and the dilution in pro forma as adjusted net tangible book value per share to new investors in this offering by $ per share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions. Each 1.0 million increase or decrease in the number of shares offered by us as set forth on the cover page of this prospectus, would increase or decrease our pro forma net tangible book value, as adjusted to give effect to this offering, by $ per share, the increase or decrease attributable to this offering by $ per share, and the dilution in pro forma as adjusted net tangible book value per share to new investors in this offering by $ per share, assuming that the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions.

If the underwriters exercise their over-allotment option in full, the pro forma net tangible book value per share of our common stock after giving effect to this offering would be $ per share, and the dilution in net tangible book value per share to investors in this offering would be $ per share.

The following table summarizes, on a pro forma as adjusted basis as of January 31, 2018 after giving effect to the sale of shares of common stock by us in this offering at an assumed initial public offering price of $ per share, the midpoint of the estimated offering price range on the cover page of this prospectus, the difference between existing stockholders and new investors with respect to the number of shares of common stock purchased from us, the total consideration paid to us and the average price per share paid or to be paid to us at an assumed initial public offering price of $ per share, the midpoint of the estimated offering price range on the cover page of this prospectus, before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
			(in thousands)		
Existing stockholders	157,998,166	%	$ 204,426	%	$ 1.29
New public investors					
Total		100%	$	100%	

The dilution information discussed above is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing. Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease total consideration paid by new investors and total consideration paid by all stockholders by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions.

To the extent that any outstanding options are exercised, or we issue any securities or convertible debt in the future, investors will experience further dilution.

Except as otherwise indicated, the above discussion and tables assume no exercise by the underwriters of their over-allotment option. If the underwriters exercise their over-allotment option in full, our existing stockholders would own % and the investors purchasing shares of our common stock in this offering would own % of the total number of shares of our common stock outstanding immediately after completion of this offering.

The number of shares of our common stock that will be outstanding after this offering is based on 157,998,166 shares of our common stock (including shares of our convertible preferred stock on an as-converted basis) outstanding as of January 31, 2018, and excludes:

- 22,424,824 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of January 31, 2018, with a weighted-average exercise price of $3.37 per share;
- No shares of our common stock issuable upon the exercise of options to purchase shares of our common stock granted after January 31, 2018; and
- shares of common stock reserved for future issuance under our 2018 Plan and shares of common stock reserved for future issuance under our ESPP.

Our 2018 Plan and our ESPP each provide for annual automatic increases in the number of shares reserved thereunder, and our 2018 Plan also provides for increases to the number of shares of common stock that may be granted thereunder based on shares underlying any awards under our 2007 Plan that expire, are forfeited or are otherwise terminated, as more fully described in the section titled “Executive Compensation—Employee Benefit and Stock Plans.”

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The selected consolidated statements of operations data presented below for fiscal 2015, 2016 and 2017 and the consolidated balance sheet data as of July 31, 2016 and 2017 (except for the pro forma share and pro forma net loss per share information) are derived from our audited consolidated financial statements that are included elsewhere in this prospectus. The selected consolidated statements of operations data presented below for the six months ended January 31, 2017 and 2018 and the consolidated balance sheet data as of January 31, 2018 is derived from our unaudited interim consolidated financial statements that are included elsewhere in this prospectus. In management's opinion, the unaudited interim consolidated financial statements include all adjustments necessary to state fairly our financial position as of January 31, 2018 and the results of operations and cash flows for the six months ended January 31, 2017 and 2018. Our historical results are not necessarily indicative of the results that may be expected in the future and our results for the six months ended January 31, 2018 are not necessarily indicative of the results that may be expected for the full fiscal year ending July 31, 2018 or any other period.

The selected consolidated financial data below should be read in conjunction with the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus.

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
	(in thousands, except per share data)				
Consolidated Statements of Operations Data:					
Revenue	$ 53,707	$ 80,325	$ 125,717	$ 56,209	$ 84,837
Cost of revenue(1)	14,431	20,127	27,472	12,441	16,950
Gross profit	39,276	60,198	98,245	43,768	67,887
Operating expenses:					
Sales and marketing(1)	32,191	56,702	79,236	34,912	54,038
Research and development(1)	15,034	20,940	33,561	17,174	17,992
General and administrative(1)	4,469	9,399	20,521	6,140	13,533
Total operating expenses	51,694	87,041	133,318	58,226	85,563
Loss from operations	(12,418)	(26,843)	(35,073)	(14,458)	(17,676)
Other income (expense), net	(181)	(127)	490	196	409
Loss before income taxes	(12,599)	(26,970)	(34,583)	(14,262)	(17,267)
Provision for income taxes	233	468	877	367	646
Net loss	$ (12,832)	$ (27,438)	$ (35,460)	$ (14,629)	$(17,913)
Accretion of Series C and D redeemable convertible preferred stock	(147)	(8,648)	(9,570)	(4,733)	(5,109)
Net loss attributable to common stockholders	$ (12,979)	$ (36,086)	$ (45,030)	$ (19,362)	$(23,022)
Net loss per share attributable to common stockholders, basic and diluted(2)	$ (0.37)	$ (0.91)	$ (1.03)	$ (0.45)	$ (0.49)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted(2)	35,279	39,772	43,832	42,800	46,687
Pro forma net loss per share, basic and diluted(2)			$ (0.23)		$ (0.12)
Weighted-average shares used in computing pro forma net loss per share, basic and diluted(2)			152,583		155,438

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

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
			(in thousands)		
Cost of revenue	$ 116	$ 189	$ 348	$ 139	$ 235
Sales and marketing	611	1,574	2,794	1,236	1,770
Research and development	648	1,025	5,574	4,925	892
General and administrative	186	829	1,203	450	900
Total stock-based compensation expense	$ 1,561	$ 3,617	$ 9,919	$ 6,750	$ 3,797

(2) See Note 9 to our consolidated financial statements elsewhere in this prospectus for an explanation of the method used to calculate our basic and diluted net loss per share attributable to common stockholders, our basic and diluted pro forma net loss per share and the weighted-average number of shares used in the computation of the per share amounts.

	July 31,		January 31, 2018
	2016	2017	
		(in thousands)	
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 92,842	$ 87,978	$ 71,569
Working capital(1)	$ 49,157	$ 22,450	$ 1,758
Total assets	$ 153,518	$ 182,902	$ 188,172
Deferred revenue, current and noncurrent	$ 65,913	$ 96,619	$ 119,257
Redeemable convertible preferred stock	$ 191,407	$ 200,977	$ 206,086
Accumulated deficit	$ (126,556)	$ (162,016)	$ (180,367)
Total stockholders' deficit	$ (124,740)	$ (151,142)	$ (167,058)

(1) Working capital is defined as current assets less current liabilities.

Non-GAAP Financial Measures and Key Business Metrics

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
			(in thousands)		
Gross profit	$ 39,276	$ 60,198	$ 98,245	$ 43,768	$ 67,887
Non-GAAP gross profit	$ 39,392	$ 60,387	$ 98,593	$ 43,907	$ 68,122
Gross margin	73%	75%	78%	78%	80%
Non-GAAP gross margin	73%	75%	78%	78%	80%
Loss from operations	$ (12,418)	$ (26,843)	$ (35,073)	$ (14,458)	$ (17,676)
Non-GAAP loss from operations	$ (10,857)	$ (23,226)	$ (19,327)	$ (7,188)	$ (10,103)
Operating margin	(23%)	(33%)	(28%)	(26%)	(21%)
Non-GAAP operating margin	(20%)	(29%)	(15%)	(13%)	(12%)
Net cash used in operating activities	$ (3,279)	$ (11,916)	$ (6,019)	$ (2,554)	$ (5,468)
Net cash used in investing activities	$ (595)	$ (6,647)	$ (8,342)	$ (4,413)	$ (7,995)
Net cash provided by (used in) financing activities	$ 85,615	$ 27,563	$ 9,497	$ 1,381	$ (2,946)
Free cash flow	$ (9,984)	$ (18,163)	$ (14,193)	$ (6,967)	$ (13,463)
Net cash used in operating activities as a percentage of revenue	(6%)	(15%)	(5%)	(5%)	(6%)
Free cash flow margin	(19%)	(23%)	(11%)	(12%)	(16%)

Non-GAAP Financial Measures

In addition to our results determined in accordance with U.S. GAAP, we believe the following non-GAAP measures are useful in evaluating our operating performance. We use the following non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with U.S. GAAP. In particular, free cash flow is not a substitute for cash used in operating activities. Additionally, the utility of free cash flow as a measure of our liquidity is further limited as it does not represent the total increase or decrease in our cash balance for a given period. In addition, other companies, including companies in our industry, may calculate similarly-titled non-GAAP measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with U.S. GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business.

Non-GAAP Gross Profit and Non-GAAP Gross Margin

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

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
			(in thousands)		
Gross profit	$ 39,276	$ 60,198	$ 98,245	$ 43,768	$ 67,887
Add: Stock-based compensation expense included in cost of revenue	116	189	348	139	235
Non-GAAP gross profit	$ 39,392	$ 60,387	$ 98,593	$ 43,907	$ 68,122
Gross margin	73%	75%	78%	78%	80%
Non-GAAP gross margin (non-GAAP gross profit as a percentage of revenue)	73%	75%	78%	78%	80%

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

We define non-GAAP loss from operations and non-GAAP operating margin as GAAP loss from operations and GAAP operating margin, respectively, excluding stock-based compensation expense and certain litigation-related expenses. These excluded litigation-related expenses are professional fees and related costs incurred by us in defending against significant claims that we deem not to be in the ordinary course of our business and, if applicable, accruals related to estimated losses in connection with these claims. There are many uncertainties and potential outcomes associated with any litigation, including the expense of litigation, timing of such expenses, court rulings, unforeseen developments, complications and delays, each of which may affect our results of operations from period to period, as well as the unknown magnitude of the potential loss relating to any lawsuit, all of which are inherently subject to change, difficult to estimate and could adversely affect our results of operations.

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
			(in thousands)		
Loss from operations	$ (12,418)	$ (26,843)	$ (35,073)	$ (14,458)	$ (17,676)
Add:					
Stock-based compensation expense	1,561	3,617	9,919	6,750	3,797
Litigation-related expenses	—	—	5,827	520	3,776
Non-GAAP loss from operations	$ (10,857)	$ (23,226)	$ (19,327)	$ (7,188)	$ (10,103)
Operating margin	(23%)	(33%)	(28%)	(26%)	(21%)
Non-GAAP operating margin (non-GAAP loss from operations as a percentage of revenue)	(20%)	(29%)	(15%)	(13%)	(12%)

Free Cash Flow and Free Cash Flow Margin

Free cash flow is a non-GAAP financial measure that we calculate as net cash used in operating activities less purchases of property and equipment and capitalized internal-use software. Free cash flow margin is calculated as free cash flow divided by revenue. We believe that free cash flow and free cash flow margin are useful indicators of liquidity that provide information to management and investors about the amount of cash generated from our operations that, after the investments in property and equipment and capitalized internal-use software, can be used for strategic initiatives, including investing in our business, and strengthening our financial position.

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
			(in thousands)		
Net cash used in operating activities	$ (3,279)	$ (11,916)	$ (6,019)	$ (2,554)	$ (5,468)
Less: Purchases of property and equipment	(5,171)	(5,402)	(7,783)	(4,413)	(7,045)
Less: Capitalized internal-use software	(1,534)	(845)	(391)	—	(950)
Free cash flow	$ (9,984)	$ (18,163)	$ (14,193)	$ (6,967)	$ (13,463)
Net cash used in operating activities (as a percentage of revenue)	(6%)	(15%)	(5%)	(4%)	(7%)
Less: Purchases of property and equipment (as a percentage of revenue)	(10%)	(7%)	(6%)	(8%)	(8%)
Less: Capitalized internal-use software (as a percentage of revenue)	(3%)	(1%)	—	—	(1%)
Free cash flow margin	(19%)	(23%)	(11%)	(12%)	(16%)

Key Business Metrics

Dollar-Based Net Retention Rate

We believe that dollar-based net retention rate is a key metric to measure the long-term value of our customer relationships because it is driven by our ability to retain and expand the recurring revenue generated from our existing customers. Our dollar-based net retention rate compares the recurring revenue from a set of customers against the same metric for the prior 12-month period on a trailing basis. Given the repeat buying pattern of our customers and that the average term of our contracts is more than 12 months, we measure this metric over a set of customers who were with us as of the last day of the same reporting period in the prior fiscal year. Our dollar-based net retention rate includes customer attrition. We have not experienced a material increase in customer attrition rates in recent periods. For the denominator, to calculate our dollar-based net retention rate for a particular trailing 12-month period, we first establish the ARR from all active subscriptions as of the last day of the same reporting period in the prior fiscal year. This effectively represents recurring dollars that we expect in the next 12-month period from the cohort of customers that existed on the last day of the same reporting period in the prior fiscal year. For the numerator, we measure the ARR for that same cohort of customers representing all subscriptions based on confirmed customer orders booked by us as of the end of the reporting period. Dollar-based net retention rate is obtained by dividing the ARR in the current trailing 12-month period by the previous trailing 12-month period. Refer to the section entitled “Management’s Discussion and Analysis—Certain Factors Affecting Our Performance—Follow-On Sales” for additional information on how we establish ARR.

	Trailing 12 Months Ended July 31,			Trailing 12 Months Ended January 31, 2018
	2015	2016	2017	
Dollar-based net retention rate	116%	115%	115%	122%

Calculated Billings

We believe that calculated billings is a key metric to measure our periodic performance. Calculated billings represents our revenue plus the change in deferred revenue in a period. Calculated billings in any particular period aims to reflect amounts invoiced for subscriptions to access our cloud platform, together with related support services related to our new and existing customers. We typically invoice our customers annually in advance, and to a lesser extent quarterly in advance, monthly in advance or multi-year in advance.

Calculated billings increased 62% for fiscal 2017 over fiscal 2016, 44% for fiscal 2016 over fiscal 2015 and 55% for the six months ended January 31, 2018 over the six months ended January 31, 2017. As calculated billings continues to grow in absolute terms, we expect our calculated billings growth rate to trend down over time. We also expect that calculated billings will be affected by seasonality in terms of when we enter into agreements with customers; and the mix of billings in each reporting period as we typically invoice customers annually in advance, and to a lesser extent quarterly in advance, monthly in advance or multi-year in advance. Refer to the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Certain Factors Affecting Our Performance."

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
			(in thousands)		
Calculated billings	$ 66,971	$ 96,458	$ 156,423	$ 69,387	$ 107,475

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the section titled "Selected Consolidated Financial and Other Data" and our consolidated financial statements and related notes included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such difference include, but are not limited to, those identified below and those discussed in the section titled "Risk Factors" included elsewhere in this prospectus. Our fiscal year end is July 31, and our fiscal quarters end on October 31, January 31, April 30 and July 31. Our fiscal years ended July 31, 2015, 2016 and 2017 are referred to herein as fiscal 2015, fiscal 2016 and fiscal 2017, respectively. Our fiscal year ending July 31, 2018 is referred to herein as fiscal 2018.

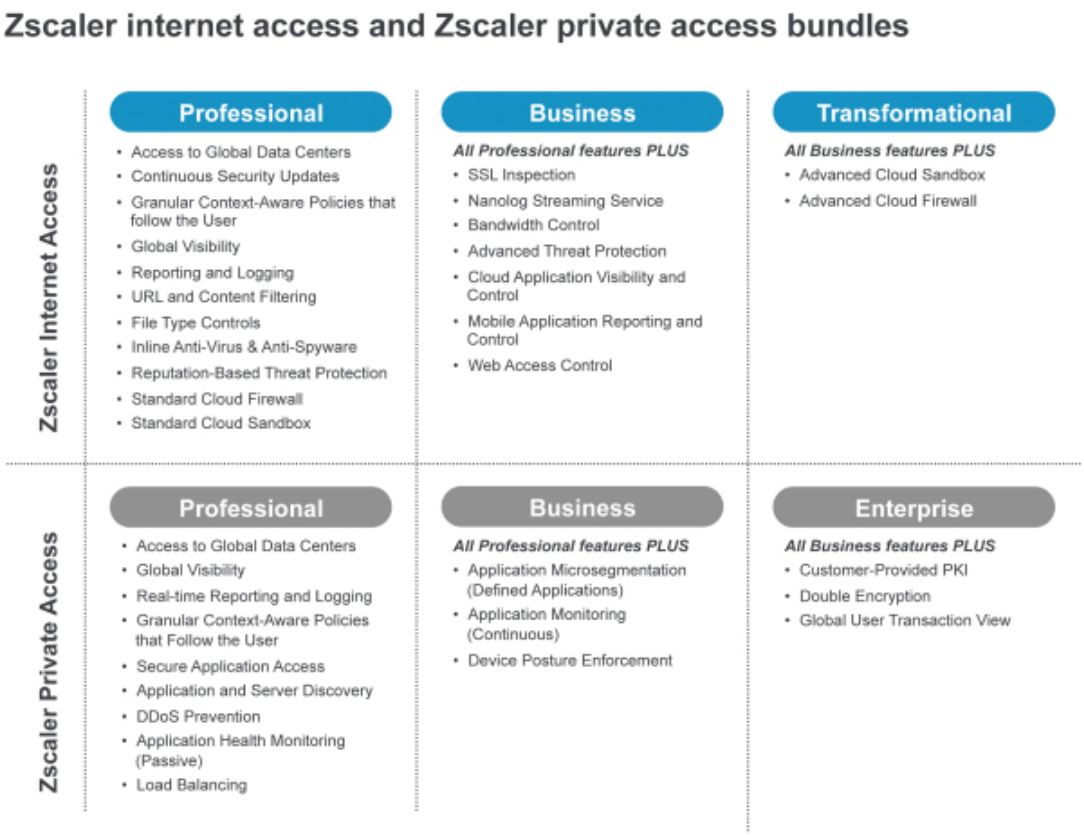
Overview

Zscaler was incorporated in 2007, during the early stages of cloud adoption and mobility, based on a vision that the internet would become the new corporate network as the cloud becomes the new data center. We predicted that with rapid cloud adoption and increasing workforce mobility, traditional perimeter security approaches would provide inadequate protection for users and data and an increasingly poor user experience. We pioneered a security cloud that represents a fundamental shift in the architectural design and approach to network security.

Enterprise applications are rapidly moving to the cloud to achieve greater IT agility, a faster pace of innovation and lower costs. Organizations are increasingly relying on internet destinations for a range of business activities, adopting new external SaaS applications for critical business functions and moving their internally managed applications to the public cloud. Enterprise users now expect to be able to seamlessly access applications and data, wherever they are hosted, from any device, anywhere in the world. We believe these trends are indicative of the broader digital transformation agenda, as businesses increasingly succeed or fail based on their IT outcomes.

The main suites of our ZIA and ZPA offerings are Professional, Business and Transformation, and we also recently introduced a ZIA Secure Transformation suite.

Zscaler Internet Access and Zscaler Private Access Suites



We generate revenue primarily from sales of subscriptions to access our cloud platform, together with related support services. We also generate an immaterial amount of revenue from professional and other services, which consist primarily of fees associated with mapping, implementation, network design and training. Our subscription pricing is calculated on a per-user basis. We recognize subscription and support revenue ratably over the life of the contract, which is generally one to three years. As of July 31, 2017, we had expanded our operations to over 2,800 customers across every major industry, with users in 185 countries. Government agencies and some of the largest enterprises in the world rely on us to help them transform to the cloud, including more than 200 of the Forbes Global 2000.

Our sales team, along with our channel partner network of global telecommunications service provider, system integrator and value-added reseller partners, sells our services worldwide to organizations of all sizes. We also focus on increasing sales to our existing customer base. Most of our customers protect their users by routing all their internet-bound web traffic through our cloud platform. For those customers that initially deploy our cloud platform to specific users or for specific security functionality, we leverage our land-and-expand sales model with the goal of generating incremental revenue through the addition of new users and the sale of additional subscriptions, suites or features.

We have experienced significant growth, with revenue increasing from $53.7 million in fiscal 2015 to $80.3 million in fiscal 2016 to $125.7 million in fiscal 2017, representing year-over-year revenue growth of 50% and 57%, respectively. Our revenue increased from $56.2 million for the six months ended January 31, 2017 to

$84.8 million for the six months ended January 31, 2018, representing a period-over-period revenue growth of 51%. However, we have incurred net losses in all periods since our inception. Our net loss increased from $12.8 million in fiscal 2015 to $27.4 million in fiscal 2016 to $35.5 million in fiscal 2017. Our net loss also increased from $14.6 million for the six months ended January 31, 2017 to $17.9 million for the six months ended January 31, 2018. We expect we will continue to incur net losses for the foreseeable future. Furthermore, we expect our net loss to increase in fiscal 2018 as we increase our investment in our sales and marketing organization to take advantage of our market opportunity, and as we experience an increase in general and administrative expenses related to beginning to operate as a public company and to ongoing legal matters and related accruals, certain of which are described in further detail in Note 5 to our consolidated financial statements included elsewhere in this prospectus.

Opportunities, Challenges and Risks

We believe that the growth of our business and our future success are dependent upon many factors, including expanding our customer base, expanding within existing customers, leveraging channel partners to participate in cloud transformation initiatives, expanding and innovating services, expanding into additional market segments and extending our platform to third-party developers. While each of these areas presents significant opportunities for us, they also pose material challenges and risks that we must successfully address in order to sustain the growth of our business and improve our results of operations. For example, we may fail to expand our customer base because cloud technologies are still evolving and it is difficult to predict customer demand and adoption rates for our solutions or cloud-based offerings generally, or because we are unable to successfully convince IT decision makers that security delivered through the cloud provides significant advantages over legacy on-premises appliance-based security products. We may also fail to grow our sales with our existing customers if such customers do not renew their subscriptions for our services when existing contract terms expire, or if we do not expand our commercial relationships with them. Further, we may be unable to identify, develop and maintain strategic relationships with our existing and potential channel partners, which would adversely affect our ability to undertake cloud transformation initiatives and achieve revenue growth. Additionally, our ability to expand and innovate services depends on our continued investment in our research and development organization to increase the reliability, availability and scalability of our existing solutions, which we cannot be certain will be successful, as well as the timely completion and market acceptance of such enhancements. We may be unable to expand into additional market segments, such as government agencies and international markets, if we lack adequate resources for such expansion, if we are unable to comply with applicable laws, regulations or certification requirements, or if there is geopolitical uncertainty and instability. We also cannot be certain that our plans to open our cloud security platform to third-party developers and applications to further extend its functionality will be successful. Additionally, we expect that addressing such challenges and risks will increase our operating expenses significantly over the next several years, particularly in fiscal 2018. The timing of our future profitability, if we achieve profitability at all, will depend upon many variables, including the success of our growth strategies and the timing and size of investments and expenditures that we choose to undertake, as well as market growth and other factors that are not within our control. If we fail to successfully address these challenges, risk and variables and other risks that we face, our business, operating results and prospects may be materially adversely affected. Please see “Risk Factors” and “Business—Growth Strategies” for additional information on the challenges and risks we face.

Certain Factors Affecting Our Performance

Increased Internet Traffic and Adoption of Cloud-Based Software and Security

The adoption of cloud applications and infrastructure, explosion of internet traffic volumes and shift to mobile-first computing generally, and the pace at which enterprises adopt the internet as their corporate network in particular, impact our ability to drive market adoption of our cloud platform. We believe that most enterprises are in the early stages of a broad transformation to the cloud. Organizations are increasingly relying on the internet to operate their businesses, deploying new SaaS applications and migrating internally managed line-of-business applications to the cloud. However, the growing dependence on the internet has increased exposure to malicious or compromised websites, and sophisticated hackers are exploiting the gaps left by legacy network security appliances. To securely

access the internet and transform their networks, organizations must also make fundamental changes in their network and security architectures. We believe that most organizations have yet to fully make these investments. Since we enable organizations to securely transform to the cloud, we believe that the imperative for organizations to securely move to the cloud will increase demand for our cloud platform and broaden our customer base.

New Customer Acquisition

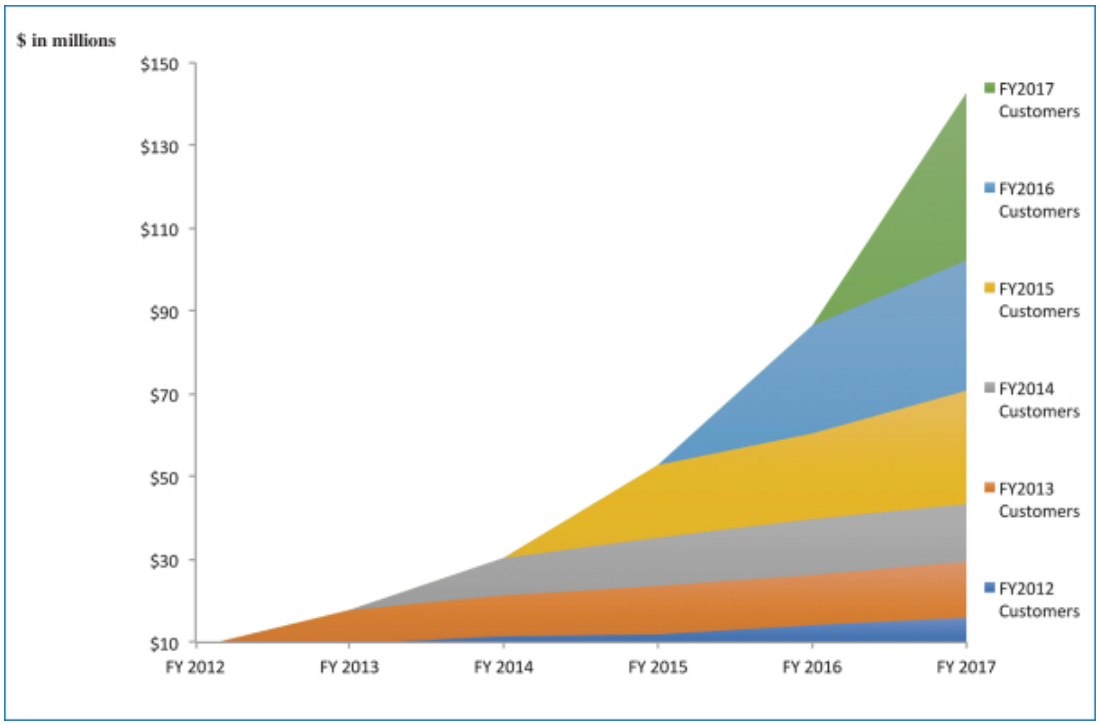
We believe that our ability to increase the number of customers on our cloud platform is an indicator of our market penetration and our future business opportunities. As of July 31, 2015, 2016 and 2017, we had over 2,050 customers, over 2,450 customers and over 2,800 customers, respectively, across all major geographies, and we currently count over 200 of the Forbes Global 2000 as customers. Our ability to continue to grow this number will increase our future opportunities for renewals and follow-on sales. We believe that we have significant room to capture additional market share and intend to continue to invest significantly in sales and marketing to engage our prospective customers, increase brand awareness, further leverage our channel partnerships and drive adoption of our solution.

Follow-On Sales

We typically expand our relationship with our customers over time. While most of our new customers route all of their internet-bound web traffic through our cloud platform, some of our customers initially use our services for specific users or specific security functionality. We leverage our land-and-expand model with the goal of generating incremental revenue, often within the term of the initial subscription, by increasing sales to our existing customers in one of three ways:

- expanding deployment of our cloud platform to cover additional users;
- upgrading to a more advanced Business, Transformation or Secure Transformation suite; and
- selling a ZPA subscription to a ZIA customer, a ZIA subscription to a ZPA customer, or other features on an a la carte basis.

These purchases increase the ARR attributable to our customers over time. To establish ARR for a customer, we use the total amount of each order booked to compute the annual recurring value of revenue that we would recognize if the customer continues to renew all contractual subscriptions. For example, a contract for $3.0 million with a contractual term of three years would have ARR of $1.0 million as long as our customer uses our cloud platform. The chart below illustrates the total ARR of each cohort of customers who made their first purchase from us in a given fiscal year. By increasing ARR over time, we can significantly increase the return on our upfront sales and marketing investments. As a result, our financial performance will depend in part on the degree to which our follow-on sales strategies are successful.



Investing in Business Growth

Since our founding, we have invested significantly in growing our business. We have increased our headcount in recent years, from approximately 450 employees as of July 31, 2015, to approximately 600 employees as of July 31, 2016, to approximately 850 employees as of July 31, 2017, to approximately 950 employees as of January 31, 2018. We intend to continue to invest in our research and development organization to extend our technology leadership and enhance the functionality of our cloud platform. We also intend to continue to invest in development efforts to offer new solutions on our platform. In addition, we intend to continue dedicating resources to update and upgrade our existing solutions, by improving the reliability, availability and scalability of our platform, because of the importance of up-time of our inline architecture and the significant role we play in our customers' IT solutions. Our commitment to enhancing our solutions is demonstrated by our investment in our research and development organization, and we expect to continue hiring to expand our organization.

We also intend to continue to invest significantly in sales and marketing to grow and train our sales force, broaden our brand awareness and expand and deepen our channel partner relationships. Although we have a channel sales model, we use a joint sales approach in which our sales force develops relationships directly with

our customers, and together with our channel account teams, works with our channel partners on building our opportunity pipeline, driving customer demand, account penetration, account coordination, sales and overall market development. Our sales team is focused on increasing sales through our channel partners and not through direct sales to customers. We expand our reach and sales leverage through the relationships with our channel partners, who consist of global telecommunications service provider, system integrator and value-added reseller partners. We expect to continue investing in our channel partner relationships as we provide them with education, training and programs, including enabling them to independently sell our solutions. Our sales and marketing efforts are primarily intended to increase our revenues from customers derived through channel partners, and we do not expect that these investments will materially change the percentage of direct sales relative to sales through our channel partners. While these planned investments will increase our operating expenses in the short term, we believe that over the long term this joint sales strategy will help us to expand our customer base and grow our business. We also are investing in programs to increase recognition of our brand and solutions, including joint marketing activities with our channel partners and strategic partners.

In addition, we expect our general and administrative expenses to increase in absolute dollars for the foreseeable future to support our growth, as a result of additional costs associated with ongoing legal matters and related accruals, and in connection with accounting, compliance and investor relations as we become a public company.

While we expect our net loss to increase in fiscal 2018 as a result of these activities, we will balance these investments in future growth with a continued focus on managing our results of operations and investing judiciously. Accordingly, in the short term we expect these activities to increase our net losses, but in the long term we anticipate that these investments will positively impact our business and results of operations.

Our Business Model

To illustrate the economics of our customer relationships, we are providing a contribution margin analysis of the customers we acquired during fiscal 2015, which we refer to as the 2015 Cohort. We are only presenting annual periods within a three-year period to illustrate these economics as we generate revenue from contracts with typical durations ranging from one to three years. We believe the 2015 Cohort is a fair representation of our overall customer base because it reflects a broad and geographically distributed customer base as well as adoption of features we released prior to fiscal 2015.

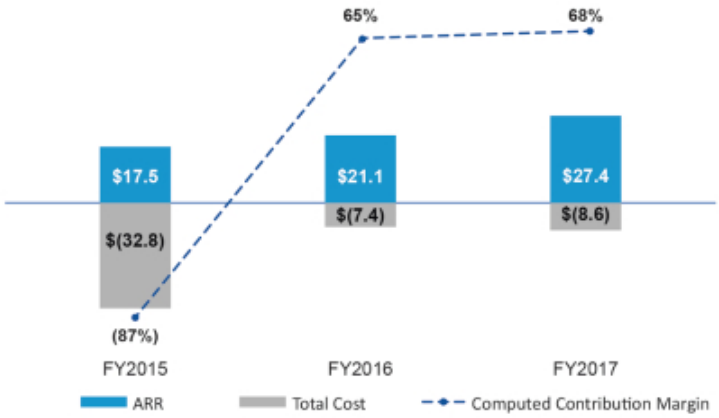
We define contribution margin as ARR from the customer cohort at the end of a period, less the associated cost of revenue computed using the reported gross margin, and applicable sales and marketing expenses.

A significant majority of our sales and marketing expenses are dedicated to acquiring new customers and these costs are mainly associated with the newest cohort of customers in a given fiscal year. Our sales and marketing expenses in the first year of acquiring new customers include our reported sales and marketing expenses from our consolidated statements of operations, less the cost of our sales organization that is solely responsible for customer contract renewals, and our estimate of marketing expenses that are directed towards our existing customers. In subsequent years, to the extent such sales and marketing expenses are incurred to retain such customers, these expenses reduce our contribution margin. Accordingly, for sales and marketing expenses related to the cohort of customers included in the analysis below, we include our estimate of marketing expenses that are directed towards our existing customers, estimated sales commissions recognized for any additional subscriptions purchased by these customers, and an allocation of expenses related to our sales organization that is solely responsible for contract renewals of our existing customers.

For fiscal 2015, the 2015 Cohort represented $17.5 million in ARR and $32.8 million in estimated cost of revenue and related sales and marketing costs to acquire these customers, representing a computed contribution margin of (87%). In fiscal 2016 and 2017, the 2015 Cohort represented $21.1 million and $27.4 million, respectively, in ARR and $7.4 million and $8.6 million, respectively, in estimated cost of revenue and related

costs to retain and expand these customers, representing a computed contribution margin of 65% and 68%, respectively.

2015 Customer Cohort Contribution Margin Computation
(in millions)



Key Business Metrics and Other Financial Measures

We review a number of operating and financial metrics, including the following key metrics, to measure our performance, identify trends, formulate business plans and make strategic decisions.

Dollar-Based Net Retention Rate

We believe that dollar-based net retention rate is a key metric to measure the long-term value of our customer relationships because it is driven by our ability to retain and expand the recurring revenue generated from our existing customers. Our dollar-based net retention rate compares the recurring revenue from a set of customers against the same metric for the prior 12-month period on a trailing basis. Because our customers have repeat buying patterns and the average term of our contracts is more than 12 months, we measure this metric over a set of customers who were with us as of the last day of the same reporting period in the prior fiscal year. Our dollar-based net retention rate includes customer attrition. We have not experienced a material increase in customer attrition rates in recent periods.

We calculate our dollar-based net retention rate as follows:

Denominator: To calculate our dollar-based net retention rate as of the end of a reporting period, we first establish the ARR from all active subscriptions as of the last day of the same reporting period in the prior fiscal year. This effectively represents recurring dollars that we expect in the next 12-month period from the cohort of customers that existed on the last day of the same reporting period in the prior fiscal year.

Numerator: We measure the ARR for that same cohort of customers representing all subscriptions based on confirmed customer orders booked by us as of the end of the reporting period.

Dollar-based net retention rate is obtained by dividing the numerator by the denominator. Our dollar-based net retention rate may fluctuate due to a number of factors, including the performance of our cloud platform, the rate of ARR expansion of our existing customers, potential changes in our rate of renewals and other risk factors described in this prospectus.

	Trailing 12 Months Ended July 31,			Trailing 12 Months Ended January 31, 2018
	2015	2016	2017	
Dollar-based net retention rate	116%	115%	115%	122%

Calculated Billings

We believe that calculated billings is a key metric to measure our periodic performance. Calculated billings represents our revenue plus the change in deferred revenue in a period. Calculated billings in any particular period aims to reflect amounts invoiced for subscriptions to access our cloud platform, together with related support services related to our new and existing customers. We typically invoice our customers annually in advance, and to a lesser extent quarterly in advance, monthly in advance or multi-year in advance.

Calculated billings increased 62% for fiscal 2017 over fiscal 2016, 44% for fiscal 2016 over fiscal 2015, and 55% for the six months ended January 31, 2018 over the six months ended January 31, 2017. As calculated billings continues to grow in absolute terms, we expect our calculated billings growth rate to trend down over time. We also expect that calculated billings will be affected by seasonality in terms of when we enter into agreements with customers; and the mix of billings in each reporting period as we typically invoice customers annually in advance, and to a lesser extent quarterly in advance, monthly in advance or multi-year in advance. Refer to the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Certain Factors Affecting Our Performance."

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
			(in thousands)		
Calculated billings	$ 66,971	$ 96,458	$ 156,423	$ 69,387	$ 107,475

Non-GAAP Financial Measures

In addition to our results determined in accordance with U.S. GAAP, we believe the following non-GAAP measures are useful in evaluating our operating performance. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with U.S. GAAP. Investors are encouraged to review the related U.S. GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable U.S. GAAP financial measures, and not to rely on any single financial measure to evaluate our business.

Non-GAAP Gross Profit and Non-GAAP Gross Margin

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

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
			(in thousands)		
Gross profit	$ 39,276	$ 60,198	$ 98,245	$ 43,768	$ 67,887
Add: Stock-based compensation expense included in cost of revenue	116	189	348	139	235
Non-GAAP gross profit	$ 39,392	$ 60,387	$ 98,593	$ 43,907	$ 68,122
Gross margin	73%	75%	78%	78%	80%
Non-GAAP gross margin (non-GAAP gross profit as a percentage of revenue)	73%	75%	78%	78%	80%

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

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

related expenses. These excluded litigation-related expenses are professional fees and related costs incurred by us in defending against significant claims that we deem not to be in the ordinary course of our business and, if applicable, accruals related to estimated losses in connection with these claims. There are many uncertainties and potential outcomes associated with any litigation, including the expense of litigation, timing of such expenses, court rulings, unforeseen developments, complications and delays, each of which may affect our results of operations from period to period, as well as the unknown magnitude of the potential loss relating to any lawsuit, all of which are inherently subject to change, difficult to estimate and could adversely affect our results of operations.

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
			(in thousands)		
Loss from operations	$ (12,418)	$ (26,843)	$ (35,073)	$ (14,458)	$ (17,676)
Add:					
Stock-based compensation expense	1,561	3,617	9,919	6,750	3,797
Litigation-related expenses	—	—	5,827	520	3,776
Non-GAAP loss from operations	$ (10,857)	$ (23,226)	$ (19,327)	$ (7,188)	$ (10,103)
Operating margin	(23%)	(33%)	(28%)	(26%)	(21%)
Non-GAAP operating margin (non-GAAP loss from operations as a percentage of revenue)	(20%)	(29%)	(15%)	(13%)	(12%)

Free Cash Flow and Free Cash Flow Margin

Free cash flow is a non-GAAP financial measure that we calculate as net cash used in operating activities less purchases of property and equipment and capitalized internal-use software. Free cash flow margin is calculated as free cash flow divided by revenue. We believe that free cash flow and free cash flow margin are useful indicators of liquidity that provide information to management and investors about the amount of cash generated from our operations that, after the investments in property and equipment and capitalized internal-use software, can be used for strategic initiatives, including investing in our business, and strengthening our financial position.

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
			(in thousands)		
Net cash used in operating activities	$ (3,279)	$ (11,916)	$ (6,019)	$ (2,554)	$ (5,468)
Less: Purchases of property and equipment	(5,171)	(5,402)	(7,783)	(4,413)	(7,045)
Less: Capitalized internal-use software	(1,534)	(845)	(391)	—	(950)
Free cash flow	$ (9,984)	$ (18,163)	$ (14,193)	$(6,967)	$ (13,463)
Net cash used in operating activities (as a percentage of revenue)	(6%)	(15%)	(5%)	(4%)	(7%)
Less: Purchases of property and equipment (as a percentage of revenue)	(10%)	(7%)	(6%)	(8%)	(8%)
Less: Capitalized internal-use software (as a percentage of revenue)	(3%)	(1%)	—	—	(1%)
Free cash flow margin	(19%)	(23%)	(11%)	(12%)	(16%)

Calculated Billings

Calculated billings is a non-GAAP financial measure that we believe is a key metric to measure our periodic performance. Calculated billings represents our total revenue plus the change in deferred revenue in a period. Calculated Billings in any particular period aims to reflect amounts invoiced for subscriptions to access our cloud platform, together with related support services related to our new and existing customers. We typically invoice our customers annually in advance, and to a lesser extent quarterly in advance, monthly in advance or multi-year in advance.

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
			(in thousands)		
Revenue	$ 53,707	$ 80,325	$ 125,717	$ 56,209	$ 84,837
Add: Total deferred revenue, end of period	49,780	65,913	96,619	79,091	119,257
Less: Total deferred revenue, beginning of period	(36,516)	(49,780)	(65,913)	(65,913)	(96,619)
Calculated billings	$ 66,971	$ 96,458	$ 156,423	$ 69,387	$107,475

Components of Our Results of Operations

Revenue

We generate revenue primarily from sales of subscriptions to access our cloud platform, together with related support services. These subscription and related support services accounted for approximately 99% of our revenue for fiscal 2015, 2016 and 2017, and 99% and 98% for the six months ended January 31, 2017 and 2018, respectively. Our contracts with our customers do not at any time provide the customer with the right to take possession of the software that runs our cloud platform. Our customers may also purchase professional services, such as mapping, implementation, network design and training. Professional services account for an immaterial portion of our revenue.

We generate revenue from contracts with typical durations ranging from one to three years. We typically invoice our customers annually in advance, and to a lesser extent quarterly in advance, monthly in advance or multi-year in advance. We recognize revenue ratably over the life of the contract. Amounts that have been invoiced are recorded in deferred revenue, or they are recorded in revenue if the revenue recognition criteria have been met. Subscriptions that are invoiced annually in advance or multi-year in advance represent a significant portion of our short-term and long-term deferred revenue in comparison to invoices issued quarterly in advance or monthly in advance. Accordingly, we cannot predict the mix of invoicing schedules in any given period.

We generally experience seasonality in terms of when we enter into agreements with our customers. We typically enter into a higher percentage of agreements with new customers, as well as renewal agreements with existing customers, in our second and fourth fiscal quarters. However, because we recognize revenue ratably over the terms of our subscription contracts, a substantial portion of the revenue that we report in each period is attributable to the recognition of deferred revenue relating to agreements that we entered into during previous periods. Consequently, increases or decreases in new sales or renewals in any one period may not be immediately reflected as revenue for that period. Any downturn in sales, however, may negatively affect our revenue in future periods. Accordingly, the effect of downturns in sales and market acceptance of our platform, and potential changes in our rate of renewals, may not be fully reflected in our results of operations until future periods.

Cost of Revenue

Cost of revenue includes expenses related to operating our cloud platform in data centers, depreciation of our data center equipment, related overhead costs and the amortization of our capitalized internal-use software. Cost of revenue also includes employee-related costs, including salaries, bonuses, stock-based compensation expense and employee benefit costs associated with our customer support and cloud operations organizations.

As our customers expand and increase the use of our cloud platform driven by additional applications and connected devices, our cost of revenue will increase due to higher bandwidth and data center expenses. However, we expect to continue to benefit from economies of scale as our customers increase the use of our cloud platform. We intend to continue to invest additional resources in our cloud platform and our customer support organizations as we grow our business. The level and timing of investment in these areas could affect our cost of revenue in the future.

Gross Profit and Gross Margin

Gross profit, or revenue less cost of revenue, and gross margin, or gross profit as a percentage of revenue, has been and will continue to be affected by various factors, including the timing of our acquisition of new customers and our renewals of and follow-on sales to existing customers, the data center and bandwidth costs associated with operating our cloud platform, the extent to which we expand our customer support and cloud operations organizations and the extent to which we can increase the efficiency of our technology, infrastructure and data centers through technological improvements. We expect our gross profit to increase in absolute dollars and our gross margin to increase modestly over the long term, although our gross margin could fluctuate from period to period depending on the interplay of all of these factors.

Operating Expenses

Our operating expenses consist of sales and marketing, research and development and general and administrative expenses. Personnel costs are the most significant component of operating expenses and consist of salaries, benefits, bonuses, stock-based compensation expense and, with respect to sales and marketing expenses, sales commissions that are recognized as expenses. Operating expenses also include overhead costs for facilities, IT and depreciation expense.

Sales and Marketing

Sales and marketing expenses consist primarily of employee compensation and related expenses, including salaries, bonuses and benefits for our sales and marketing employees, sales commissions that are recognized as expenses over the period of benefit, stock-based compensation expense, marketing programs, travel and entertainment expenses, expenses for conferences and events and allocated overhead costs. We capitalize our sales commissions and associated payroll taxes and recognize them as expenses over the estimated period of benefit. The amount recognized in our sales and marketing expenses reflects the amortization of cost previously deferred as attributable to each period presented in this prospectus, as described below under "—Critical Accounting Policies and Estimates." We intend to continue to make significant investments in our sales and marketing organization to drive additional revenue, further penetrate the market and expand our global customer base. As a result, we expect our sales and marketing expenses to increase in absolute dollars and to be our largest operating expense category for the foreseeable future. In particular, in fiscal 2018, we expect to invest in growing and training our sales force, broadening our brand awareness and expanding and deepening our channel partner relationships. However, we expect our sales and marketing expenses to decrease as a percentage of our revenue over the long term, although our sales and marketing expenses may fluctuate as a percentage of our revenue from period to period due to the timing and extent of these expenses.

Research and Development

Our research and development expenses support our efforts to add new features to our existing offerings and to ensure the reliability, availability and scalability of our solutions. Our cloud platform is software-driven, and our research and development teams employ software engineers in the design, and the related development, testing, certification and support, of these solutions. Accordingly, a majority of our research and development expenses result from employee-related costs, including salaries, bonuses and benefits, stock-based compensation expense and costs associated with technology tools used by our engineers. We expect our research and

development expenses to continue to increase in absolute dollars for the foreseeable future, particularly in fiscal 2018, as we continue to invest in research and development efforts to enhance the functionality of our cloud platform, improve the reliability, availability and scalability of our platform and access new customer markets. However, we expect our research and development expenses to decrease as a percentage of our revenue over the long term, although our research and development expenses may fluctuate as a percentage of our revenue from period to period due to the timing and extent of these expenses.

General and Administrative

General and administrative expenses consist primarily of employee-related costs, including salaries and bonuses, stock-based compensation expense and employee benefit costs for our finance, legal, human resources and administrative personnel, as well as professional fees for external legal services (including certain litigation-related expenses), accounting and other consulting services. These excluded litigation-related expenses, recognized in general and administrative expenses, are professional fees and related costs incurred by us in defending against significant claims that we deem not to be in the ordinary course of our business and, if applicable, accruals related to estimated losses in connection with these claims. We expect our general and administrative expenses to increase in absolute dollars for the foreseeable future, in particular in fiscal 2018, due to additional costs associated with accounting, compliance, insurance and investor relations as we become a public company, and due to ongoing legal matters and related accruals, certain of which are described in further detail in Note 5 to our consolidated financial statements included elsewhere in this prospectus. However, we expect our general and administrative expenses to decrease as a percentage of our revenue over the long term, although our general and administrative expenses may fluctuate as a percentage of our revenue from period to period due to the timing and extent of these expenses. In particular, litigation-related expenses related to significant litigation claims may result in significant fluctuations from period to period as they are inherently subject to change and difficult to estimate.

Other Income (Expense), Net

Other income (expense), net consists primarily of foreign currency transaction gains and losses, income earned on our cash equivalents, and interest earned on outstanding notes receivable extended to certain current and former employees who early exercised their stock options. For more information on these notes receivable, please see Note 8 to our consolidated financial statements included elsewhere in this prospectus.

Provision for Income Taxes

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

Results of Operations

The following tables set forth our consolidated results of operations for the periods presented in dollars and as a percentage of our revenue:

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
			(in thousands)		
Revenue	$ 53,707	$ 80,325	$ 125,717	$ 56,209	$ 84,837
Cost of revenue(1)	14,431	20,127	27,472	12,441	16,950
Gross profit	39,276	60,198	98,245	43,768	67,887
Operating expenses:					
Sales and marketing(1)	32,191	56,702	79,236	34,912	54,038
Research and development(1)	15,034	20,940	33,561	17,174	17,992
General and administrative(1)	4,469	9,399	20,521	6,140	13,533
Total operating expenses	51,694	87,041	133,318	58,226	85,563
Loss from operations	(12,418)	(26,843)	(35,073)	(14,458)	(17,676)
Other income (expense), net	(181)	(127)	490	196	409
Loss before income taxes	(12,599)	(26,970)	(34,583)	(14,262)	(17,267)
Provision for income taxes	233	468	877	367	646
Net loss	$ (12,832)	$ (27,438)	$ (35,460)	$ (14,629)	$ (17,913)

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

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
			(in thousands)		
Cost of revenue	$ 116	$ 189	$ 348	$ 139	$ 235
Sales and marketing	611	1,574	2,794	1,236	1,770
Research and development	648	1,025	5,574	4,925	892
General and administrative	186	829	1,203	450	900
Total stock-based compensation expense	$ 1,561	$ 3,617	$ 9,919	$ 6,750	$ 3,797

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
Percentage of Revenue Data:					
Revenue	100%	100%	100%	100%	100%
Cost of revenue	27	25	22	22	20
Gross margin	73	75	78	78	80
Operating expenses:					
Sales and marketing	60	70	63	62	64
Research and development	28	26	27	31	21
General and administrative	8	12	16	11	16
Total operating expenses	96	108	106	104	101
Loss from operations	(23)	(33)	(28)	(26)	(21)
Other income (expense), net	—	(1)	—	1	1
Loss before income taxes	(23)	(34)	(28)	(25)	(20)
Provision for income taxes	1	—	—	1	1
Net loss	(24%)	(34%)	(28%)	(26%)	(21%)

Comparison of Six Months Ended January 31, 2017 and 2018

Revenue

	Six Months Ended January 31,		Change	
	2017	2018	$	%
	(in thousands)			
Revenue	$ 56,209	$ 84,837	$ 28,628	51%

Revenue increased by $28.6 million, or 51%, for the six months ended January 31, 2018, compared to the six months ended January 31, 2017. The increase in revenue was attributable to the addition of new customers, which contributed $12.9 million, as we increased our customer base by 14% from January 31, 2017 to January 31, 2018. The remainder of the increase in revenue was attributable to an increase in users and sales of additional subscriptions to existing customers as reflected by our dollar-based net retention rate of 122% for the trailing 12 months ended January 31, 2018.

Cost of Revenue and Gross Margin

	Six Months Ended January 31,		Change	
	2017	2018	$	%
	(in thousands)			
Cost of revenue	$ 12,441	$ 16,950	$ 4,509	36%
Gross margin	78%	80%		

Cost of revenue increased by $4.5 million, or 36%, for the six months ended January 31, 2018, compared to the six months ended January 31, 2017. The overall increase in cost of revenue was driven by expanded use of our cloud platform by existing and new customers. The increase in cost of revenue was due to an increase in employee-related expenses of $1.2 million, which was driven by a 26% increase in headcount in our customer support and cloud operations organizations from January 31, 2017 to January 31, 2018. The overall increase in cost of revenue was also attributable to a $0.5 million increase in depreciation and amortization expense and a $1.3 million increase in data center colocation expense related to hosting and operating our cloud platform.

Gross margin increased from 78% during the six months ended January 31, 2017 to 80% during the six months ended January 31, 2018. The increase in gross margin was driven by an increase in revenue and was also due in part to the increased efficiency of our technology, infrastructure and data centers enabled by technological improvements, even as our customers expanded their use of our cloud platform.

Operating Expenses

Sales and Marketing

	Six Months Ended January 31,		Change	
	2017	2018	$	%
	(in thousands)			
Sales and marketing	$ 34,912	$ 54,038	$ 19,126	55%

Sales and marketing expenses increased by $19.1 million, or 55%, for the six months ended January 31, 2018, compared to the six months ended January 31, 2017. The increase was primarily driven by $15.6 million in increased employee-related costs due to a 43% increase in headcount in our sales and marketing organization from January 31, 2017 to January 31, 2018, and includes a $3.2 million increase in sales commissions that were recognized as expenses. The remainder of the increase was primarily attributable to increased expenses of $0.9 million in travel and entertainment and $2.1 million for training, conferences and overhead costs.

Research and Development

	Six Months Ended January 31,		Change	
	2017	2018	$	%
	(in thousands)			
Research and development	$ 17,174	$ 17,992	$ 818	5%

Research and development expenses increased by $0.8 million, or 5%, for the six months ended January 31, 2018, compared to the six months ended January 31, 2017 as we continued to develop and enhance the functionality of our cloud platform. Research and development expenses in the six months ended January 31, 2017 included $4.4 million in stock-based compensation expense recognized in November 2016 associated with a one-time secondary stock purchase transaction executed between certain of our employees and certain of our affiliated stockholders, including entities controlled by Jay Chaudhry, our president, chief executive officer and chairman of the board of directors, and Lane Bess, a member of our board of directors. Refer to Note 13 to our consolidated financial statements included elsewhere in this prospectus for more information regarding this transaction. Excluding this transaction, the increase in research and development expenses was primarily driven by a 22% increase in headcount from January 31, 2017 to January 31, 2018, which resulted in additional expenses of $4.5 million in employee-related costs. The remainder of the increase was primarily attributable to professional services to support our expanded research and development efforts.

General and Administrative

	Six Months Ended January 31,		Change	
	2017	2018	$	%
	(in thousands)			
General and administrative	$ 6,140	$ 13,533	$ 7,393	120%

General and administrative expenses increased by $7.4 million, or 120%, for the six months ended January 31, 2018, compared to the six months ended January 31, 2017. The increase was driven by $3.6 million in increased legal expenses related to ongoing legal matters and related accruals, including $0.7 million related to our ongoing legal proceeding with Finjan, as further discussed in Note 5 to our consolidated financial statements included elsewhere in this prospectus. Additionally, we incurred an increase of $3.3 million in employee-related costs, including an increase of $2.8 million in salaries, bonus and benefits driven by increased headcount as we prepare to operate as a public company and an increase of $0.5 million in stock-based compensation expense.

Other Income (Expense), Net

	Six Months Ended January 31,		Change	
	2017	2018	$	%
	(in thousands)			
Other income (expense), net	$ 196	$ 409	$ 213	109%

Other income (expense), net increased by $0.2 million, or 109%, for the six months ended January 31, 2018, compared to the six months ended January 31, 2017. The increase was primarily driven by fluctuations in foreign currency transaction gains and losses and increased interest income from our investments in money market funds for the six months ended January 31, 2018, compared to the six months ended January 31, 2017.

Provision for Income Taxes

	Six Months Ended January 31,		Change	
	2017	2018	$	%
	(in thousands)			
Provision for income taxes	$ 367	$ 646	$ 279	76%

Our provision for income taxes increased by $0.3 million, or 76%, for the six months ended January 31, 2018, compared to the six months ended January 31, 2017, primarily related to income taxes in foreign tax jurisdictions. Our tax expense of $0.4 million and $0.6 million for the six months ended January 31, 2017 and 2018, respectively, was attributable to our foreign operations.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017, or the Tax Act, was enacted. The Tax Act contains several key tax provisions that affect us, including, but not limited to, reducing the U.S. federal corporate tax rate from 34% to 21% for tax years beginning after December 31, 2017, imposing a one-time repatriation tax on deemed repatriated earnings and changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017. We have not completed our accounting assessment for the effects of the Tax Act; however, based on our initial assessment, we have determined that the Tax Act did not have a material impact on our consolidated financial statements in our fiscal quarter ending January 31, 2018. We currently maintain a full valuation allowance recorded against our U.S. federal deferred tax assets and we anticipate incurring a loss in fiscal 2018. As such, the remeasurement of the deferred tax assets and related valuation allowance is not expected to have a material impact to the financial statements in fiscal 2018, other than disclosures in our year-end financial statements. Refer to Note 10 to our consolidated financial statements included elsewhere in this prospectus for further information regarding income taxes.

Our tax provision for interim periods is determined using an estimate of our annual effective tax rate, adjusted for discrete items, if any, that arise during the period. Each quarter, we update our estimate of the annual effective tax rate, and if the estimated annual effective tax rate changes, we make a cumulative adjustment in such period.

Our quarterly tax provision, and estimate of our annual effective tax rate, is subject to variation due to several factors, including variability in pre-tax income (or loss), the mix of jurisdictions to which such income relates, changes in how we do business, and tax law developments. Our estimated effective tax rate for the year differs from the U.S. statutory rate of 26.9% primarily due to the benefit of a portion of our earnings being taxed at rates lower than the U.S. statutory rate.

While we believe our current valuation allowance is sufficient, we assess the need for an adjustment to the valuation allowance on a quarterly basis. The assessment is based on our estimates of future sources of taxable income for the jurisdictions in which we operate and the periods over which our deferred tax assets will be realizable. In the event we determine that we will be able to realize all or part of our net deferred tax assets in the

future, the valuation allowance will be reversed in the period in which we make such determination. The release of a valuation allowance against deferred tax assets may cause greater volatility in the effective tax rate in the periods in which it is reversed.

Comparison of Fiscal 2016 and Fiscal 2017

Revenue

	Year Ended July 31,		Change	
	2016	2017	$	%
	(in thousands)			
Revenue	$ 80,325	$ 125,717	$ 45,392	57%

Revenue increased by $45.4 million, or 57%, for fiscal 2017, compared to fiscal 2016. The increase in revenue was due to the addition of new customers, which contributed $15.6 million, as we increased our customer base by 14% from July 31, 2016 to July 31, 2017. The remainder of the increase in revenue was attributable to an increase in users and sales of additional subscriptions to existing customers as reflected by our dollar-based net retention rate of 115% as of July 31, 2017.

Cost of Revenue and Gross Margin

	Year Ended July 31,		Change	
	2016	2017	$	%
	(in thousands)			
Cost of revenue	$ 20,127	$ 27,472	$ 7,345	36%
Gross margin	75%	78%		

Cost of revenue increased by $7.3 million, or 36%, for fiscal 2017, compared to fiscal 2016. The increase in cost of revenue was driven by expanded use of our cloud platform by existing and new customers, which resulted in increased data center costs. It was also due to an increase in employee-related expenses of $3.1 million, which was driven by a 37% increase in headcount in our customer support and cloud operations organizations from July 31, 2016 to July 31, 2017. The increase in cost of revenue was also attributable to a $1.8 million increase in depreciation and amortization expense and a $1.4 million increase in data center colocation expense related to hosting and operating our cloud platform.

Gross margin increased from 75% during fiscal 2016 to 78% during fiscal 2017. The increase in gross margin was driven by an increase in revenue and was also due in part to the increased efficiency of our technology, infrastructure and data centers enabled by technological improvements, even as our customers expanded their use of our cloud platform.

Operating Expenses

Sales and Marketing

	Year Ended July 31,		Change	
	2016	2017	$	%
	(in thousands)			
Sales and marketing	$ 56,702	$ 79,236	$ 22,534	40%

Sales and marketing expenses increased by $22.5 million, or 40%, for fiscal 2017, compared to fiscal 2016. The increase was primarily driven by $17.2 million in increased employee-related costs due to a 41% increase in headcount in our sales and marketing organization from July 31, 2016 to July 31, 2017, and includes a

$2.3 million increase in sales commissions that were recognized as expenses. The remainder of the increase was primarily attributable to increased expenses of $2.2 million in travel and entertainment and $2.3 million for training, conferences, advertising and overhead costs.

Research and Development

	Year Ended July 31,		Change	
	2016	2017	$	%
	(in thousands)			
Research and development	$ 20,940	$ 33,561	$ 12,621	60%

Research and development expenses increased by $12.6 million, or 60%, for fiscal 2017, compared to fiscal 2016 as we continued to develop and enhance the functionality of our cloud platform. The increase was primarily driven by a 31% increase in research and development headcount from July 31, 2016 to July 31, 2017, which resulted in additional expenses of $10.4 million in employee-related costs, including an increase of $4.4 million in stock-based compensation expense from a one-time secondary stock purchase transaction that was executed among certain of our employees and certain of our affiliated stockholders, including entities controlled by Jay Chaudhry, our president, chief executive officer and chairman of the board of directors, and Lane Bess, a member of our board of directors. See Note 13 to our consolidated financial statements included elsewhere in this prospectus for more information regarding this transaction. The remainder of the increase was primarily attributable to other expenses that increased as we expanded our research and development efforts.

General and Administrative

	Year Ended July 31,		Change	
	2016	2017	$	%
	(in thousands)			
General and administrative	$ 9,399	$ 20,521	$ 11,122	118%

General and administrative expenses increased by $11.1 million, or 118%, for fiscal 2017, compared to fiscal 2016. The increase was primarily driven by $4.4 million in increased employee-related costs, including an increase of $3.1 million in salaries, bonus and benefits driven by increased headcount as we prepare to operate as a public company and an increase of $0.4 million in stock-based compensation expense. Additionally, our legal expenses increased by $5.5 million due to ongoing legal matters and related accruals, including $2.5 million related to our ongoing legal proceeding with Finjan, as further discussed in Note 5 to our consolidated financial statements included elsewhere in this prospectus. The remainder of the increase was primarily due to increased expenses of $1.3 million for third-party accounting and consulting services.

Other Income (Expense), Net

	Year Ended July 31,		Change	
	2016	2017	$	%
	(in thousands)			
Other income (expense), net	$ (127)	$ 490	$ 617	486%

Other income (expense), net increased by $0.6 million, or 486%, for fiscal 2017, compared to fiscal 2016. The increase was primarily driven by fluctuations in foreign currency transaction gains and losses and increased interest income from our investments in money market funds for fiscal 2017, compared to fiscal 2016.

Provision for Income Taxes

	Year Ended July 31,		Change	
	2016	2017	$	%
	(in thousands)			
Provision for income taxes	$ 468	$ 877	$ 409	87%

We recorded a provision for income taxes of $0.5 million and $0.9 million in fiscal 2016 and 2017, respectively. Our effective tax rate of (1.7%) and (2.5%) in fiscal 2016 and 2017, respectively, differs from the U.S. statutory federal income tax rate of 34% due to an increase in the valuation allowance against our U.S. federal and state deferred tax assets, as well as the benefit of our foreign income being taxed at different rates than the U.S. statutory rate. Our provision for income taxes increased by $0.4 million, or 87%, for fiscal 2017, compared to fiscal 2016, primarily related to income taxes in foreign tax jurisdictions in relation to income from foreign operations.

As of July 1, 2017, we had an immaterial amount of net deferred tax assets, which was mainly comprised of U.S. federal and state net operating loss carryovers. Our U.S. federal and state deferred tax assets are subject to a full valuation allowance to reflect uncertainties about whether we will be able to utilize the deferred tax assets before they expire.

While we believe our current valuation allowance is sufficient, we assess the need for an adjustment to the valuation allowance on a quarterly basis. The assessment is based on our estimates of future sources of taxable income for the jurisdictions in which we operate and the periods over which our deferred tax assets will be realizable. In the event we determine that we will be able to realize all or part of our net deferred tax assets in the future, the valuation allowance will be reversed in the period in which we make such determination. The release of a valuation allowance against deferred tax assets may cause greater volatility in the effective tax rate in the periods in which it is reversed.

Comparison of Fiscal 2015 and Fiscal 2016

Revenue

	Year Ended July 31,		Change	
	2015	2016	$	%
	(in thousands)			
Revenue	$ 53,707	$ 80,325	$ 26,618	50%

Revenue increased by $26.6 million, or 50%, for fiscal 2016, compared to fiscal 2015. The increase in revenue was due to the addition of new customers, which contributed $9.7 million, as we increased our customer base by 19% from July 31, 2015 to July 31, 2016. The remainder of the increase in revenue was attributable to an increase in users and sales of additional subscriptions to existing customers as reflected by our dollar-based net retention rate of 115% as of July 31, 2016.

Cost of Revenue and Gross Margin

	Year Ended July 31,		Change	
	2015	2016	$	%
	(in thousands)			
Cost of revenue	$ 14,431	$ 20,127	$ 5,696	39%
Gross margin	73%	75%		

Cost of revenue increased by $5.7 million, or 39%, for fiscal 2016, compared to fiscal 2015. The increase in cost of revenue was driven by expanded use of our cloud platform by existing and new customers, which resulted

in increased data center costs. It was also due to an increase in employee-related costs of $1.2 million, which was driven by a 32% increase in headcount in our customer support and cloud operations organizations from July 31, 2015 to July 31, 2016. The increase in cost of revenue was also attributable to a $1.6 million increase in depreciation and amortization expense, a $1.7 million increase in data center colocation expense related to operating our cloud platform, and a $0.9 million increase in third-party consulting expenses.

Gross margin increased from 73% during fiscal 2015 to 75% during fiscal 2016. The increase in gross margin was driven by an increase in revenue and was also due in part to the increased efficiency of our technology, infrastructure and data centers enabled by technological improvements, even as our customers expanded their use of our cloud platform.

Operating Expenses

Sales and Marketing

	Year Ended July 31,		Change	
	2015	2016	$	%
	(in thousands)			
Sales and marketing	$ 32,191	$ 56,702	$ 24,511	76%

Sales and marketing expenses increased by $24.5 million, or 76%, for fiscal 2016, compared to fiscal 2015. The increase was primarily driven by $17.2 million in increased employee-related costs, including increases of $1.0 million for stock-based compensation expense and $2.7 million in sales commissions that were recognized as expenses. The increase was primarily attributable to a 39% increase in headcount in our sales and marketing organization from July 31, 2015 to July 31, 2016. The remainder of the increase was primarily due to increased expenses of $3.0 million in travel and entertainment and $3.8 million for conferences, events, advertising and overhead costs.

Research and Development

	Year Ended July 31,		Change	
	2015	2016	$	%
	(in thousands)			
Research and development	$ 15,034	$ 20,940	$ 5,906	39%

Research and development expenses increased by $5.9 million, or 39%, for fiscal 2016, compared to fiscal 2015, as we continued to develop and enhance the functionality of our cloud platform. The increase was primarily driven by an increase of $3.9 million for employee-related costs as our headcount increased by 23% from July 31, 2015 to July 31, 2016. The remainder of the increase was primarily due to increased expenses of $0.4 million for third-party technology services, and $0.8 million for overhead costs, partially offset by a $0.7 million decrease in expenses from fiscal 2015 to fiscal 2016 as a result of higher capitalized internal-use software development costs.

General and Administrative

	Year Ended July 31,		Change	
	2015	2016	$	%
	(in thousands)			
General and administrative	$ 4,469	$ 9,399	$ 4,930	110%

General and administrative expenses increased by $4.9 million, or 110%, for fiscal 2016, compared to fiscal 2015. The increase was primarily driven by an increase in employee-related costs of $3.7 million, including an increase of $0.6 million for stock-based compensation expense. The remainder of the increase was primarily due to increased expenses of $1.1 million for third-party accounting, consulting and legal expenses.

Other Income (Expense), Net

	Year Ended July 31,		Change	
	2015	2016	$	%
	(in thousands)			
Other income (expense), net	$ (181)	$ (127)	$ 54	30%

Other income (expense), net increased by $0.1 million, or 30%, for fiscal 2016, compared to fiscal 2015. The increase was primarily driven by fluctuations in foreign currency transaction gains and losses, increased interest income generated from outstanding notes receivable extended to certain current and former employees who early exercised their stock options and, to a lesser extent, from income on our investments in money market funds.

Provision for Income Taxes

	Year Ended July 31,		Change	
	2015	2016	$	%
	(in thousands)			
Provision for income taxes	$ 233	$ 468	$ 235	101%

Provision for income taxes increased by $0.2 million, or 101%, for fiscal 2016, compared to fiscal 2015, primarily related to income taxes in foreign tax jurisdictions in relation to income from foreign operations.

Quarterly Results of Operations and Other Data

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

	Three Months Ended									
	October 31, 2015	January 31, 2016	April 30, 2016	July 31, 2016	October 31, 2016	January 31, 2017	April 30, 2017	July 31, 2017	October 31, 2017	January 31, 2018
	(in thousands)									
Revenue	$ 17,132	$ 18,876	$ 20,748	$ 23,569	$ 26,782	$ 29,427	$ 32,964	$ 36,544	$ 39,861	$ 44,976
Cost of revenue(1)	4,512	4,772	5,309	5,534	5,926	6,515	6,997	8,034	8,271	8,679
Gross profit	12,620	14,104	15,439	18,035	20,856	22,912	25,967	28,510	31,590	36,297
Operating expenses:										
Sales and marketing(1)	13,028	13,071	15,286	15,317	17,116	17,796	20,689	23,635	26,928	27,110
Research and development(1)	4,664	4,958	5,785	5,533	6,141	11,033	7,778	8,609	8,809	9,183
General and administrative(1)	1,665	2,134	2,488	3,112	2,753	3,387	5,061	9,320	7,130	6,403
Total operating expenses	19,357	20,163	23,559	23,962	26,010	32,216	33,528	41,564	42,867	42,696
Loss from operations	(6,737)	(6,059)	(8,120)	(5,927)	(5,154)	(9,304)	(7,561)	(13,054)	(11,277)	(6,399)
Other income (expense), net	(16)	26	(88)	(49)	113	83	183	111	168	241
Loss before income taxes	(6,753)	(6,033)	(8,208)	(5,976)	(5,041)	(9,221)	(7,378)	(12,943)	(11,109)	(6,158)
Provision for income taxes	62	94	129	183	200	167	184	326	289	357
Net loss	$ (6,815)	$ (6,127)	$ (8,337)	$ (6,159)	$ (5,241)	$ (9,388)	$ (7,562)	$ (13,269)	$ (11,398)	$ (6,515)

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

	Three Months Ended									
	October 31, 2015	January 31, 2016	April 30, 2016	July 31, 2016	October 31, 2016	January 31, 2017	April 30, 2017	July 31, 2017	October 31, 2017	January 31, 2018
	(in thousands)									
Cost of revenue	$ 43	$ 41	$ 56	$ 49	$ 51	$ 88	$ 106	$ 103	$ 109	$ 126
Sales and marketing	315	293	412	554	515	721	762	796	785	985
Research and development	225	232	316	252	274	4,651	306	343	398	494
General and administrative	86	125	211	407	184	266	412	341	441	459
Total stock-based compensation expense	$ 669	$ 691	$ 995	$ 1,262	$ 1,024	$ 5,726	$ 1,586	$ 1,583	$ 1,733	$ 2,064

Percentage of Revenue Data:

	Three Months Ended									
	October 31, 2015	January 31, 2016	April 30, 2016	July 31, 2016	October 31, 2016	January 31, 2017	April 30, 2017	July 31, 2017	October 31, 2017	January 31, 2018
Revenue	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cost of revenue	26	25	26	23	22	22	21	22	21	19
Gross margin	74	75	74	77	78	78	79	78	79	81
Operating expenses:										
Sales and marketing	76	69	73	66	64	61	63	65	67	60
Research and development	27	27	28	23	23	37	24	23	22	21
General and administrative	10	11	12	13	10	12	15	26	18	14
Total operating expenses	113	107	113	102	97	110	102	114	107	95
Loss from operations	(39)	(32)	(39)	(25)	(19)	(32)	(23)	(36)	(28)	(14)
Other income (expense), net	—	—	(1)	—	—	1	1	—	—	—
Loss before income taxes	(39)	(32)	(40)	(25)	(19)	(31)	(22)	(36)	(28)	(14)
Provision for income taxes	1	—	—	1	1	1	1	—	1	—
Net loss	(40%)	(32%)	(40%)	(26%)	(20%)	(32%)	(23%)	(36%)	(29%)	(14%)

Quarterly Revenue Trends

Revenue increased sequentially in each of the quarters presented primarily due to our addition of new customers, as well as an increase in users and sales of additional subscriptions to existing customers. We generally experience seasonality in terms of when we receive orders from our customers. We typically receive a higher percentage of orders from new customers, as well as renewal orders from existing customers, in our second and fourth fiscal quarters. However, because we recognize revenue ratably over the term of our subscription contracts, a substantial portion of the revenue that we report in each period is attributable to the recognition of deferred revenue relating to orders that we received during previous periods. Consequently, increases or decreases in new sales or renewals in any one period may not be immediately reflected in our revenue for that period and may negatively affect our revenue in future periods. Accordingly, the effect of downturns in sales and market acceptance of our cloud platform, and potential changes in our rate of renewals, may not be fully reflected in our results of operations until future periods.

Quarterly Cost of Revenue Trends

Cost of revenue increased sequentially in each of the quarters presented, primarily driven by expanded use of our cloud platform by existing and new customers, which resulted in increased data center costs. Such increases were also due to an expansion in our customer support and cloud operations organizations to support our growth.

Quarterly Gross Margin Trends

The overall increase in gross margin over the course of the periods presented was enabled by an increase in revenue and was due in part to the increased efficiency of our technology, infrastructure and data centers through technological improvements, even as our customers expanded their use of our cloud platform. The sequential decrease in gross margin in the quarter ended April 30, 2016 was primarily due to additional investments in our customer support and cloud operations organizations. The sequential decrease in gross margin in the quarter ended July 31, 2017 was primarily due to certain one-time bandwidth charges.

Quarterly Operating Expense Trends

Operating expenses generally have increased sequentially in every fiscal quarter primarily due to increases in headcount and other related expenses to support our growth. We intend to continue to make significant investments in our sales and marketing organization, and sales and marketing expenses increased as we expanded our sales team to acquire new customers to drive growth in our revenue. We also intend to invest in research and development efforts to add new features to and enhance the functionality of our existing cloud platform, and to ensure the reliability, availability and scalability of our solutions. The increase in research and development expenses, and therefore net loss, in the quarter ended January 31, 2017 was primarily due to an increase of $4.4 million in stock-based compensation expense from a one-time secondary stock purchase transaction that was executed among certain of our employees and certain of our affiliated stockholders, including entities controlled by Jay Chaudhry, our president, chief executive officer and chairman of the board of directors, and Lane Bess, a member of our board of directors. Additionally, the increase in general and administrative expenses, and therefore net loss, in the fiscal quarters ended July 31, 2017, October 31, 2017 and January 31, 2018 was primarily due to ongoing legal matters and related accruals and also due to costs incurred for preparing to be a public company. We anticipate that in future fiscal quarters, the majority of our research and development expenses will result from employee-related costs and from technology tools used by our engineers in research and development activities. General and administrative expenses increased in recent fiscal quarters due to costs related to ongoing legal matters and related accruals and preparing to be a public company, a trend that we expect to continue for the foreseeable future.

Liquidity and Capital Resources

To date, we have financed our operations principally through private placements of our equity securities, as well as payments received from customers using our cloud platform and services. As of January 31, 2018, we had cash and cash equivalents of $71.6 million. Our cash and cash equivalents primarily consist of highly liquid investments in money market funds, including overnight investments. We have generated significant operating losses from our operations as reflected in our accumulated deficit of $180.4 million as of January 31, 2018 and negative cash flows from operations. We expect to continue to incur operating losses and generate negative cash flows from operations for the foreseeable future due to the investments we intend to make as described above, and as a result we may require additional capital resources to execute strategic initiatives to grow our business.

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

We typically invoice our customers annually in advance, and to a lesser extent quarterly in advance, monthly in advance or multi-year in advance. Therefore, a substantial source of our cash is from such prepayments, which are included on our consolidated balance sheets as a contract liability. Deferred revenue consists of the unearned portion of billed fees for our subscriptions, which is subsequently recognized as revenue in accordance with our revenue recognition policy. As of January 31, 2018, we had deferred revenue of $119.3 million, of which $107.9 million was recorded as a current liability and is expected to be recorded as revenue in the next 12 months, provided all other

revenue recognition criteria have been met. Subscriptions that are invoiced annually in advance or multi-year in advance contribute significantly to our short-term and long-term deferred revenue in comparison to our invoices issued quarterly in advance or monthly in advance. Accordingly, we cannot predict the mix of invoicing schedules in any given period.

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

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
			(in thousands)		
Net cash used in operating activities	$ (3,279)	$ (11,916)	$ (6,019)	$ (2,554)	$ (5,468)
Net cash used in investing activities	$ (595)	$ (6,647)	$ (8,342)	$ (4,413)	$ (7,995)
Net cash provided by (used in) financing activities	$ 85,615	$ 27,563	$ 9,497	$ 1,381	$ (2,946)

Operating Activities

Net cash used in operating activities during the six months ended January 31, 2018 was $5.5 million, which resulted from a net loss of $17.9 million, adjusted for non-cash charges of $13.5 million and net cash outflow of $1.1 million from changes in operating assets and liabilities. Non-cash charges primarily consisted of $3.9 million for depreciation and amortization expense, $5.9 million for amortization of deferred contract acquisition costs and $3.8 million for stock-based compensation expense. The net cash outflow from changes in operating assets and liabilities was primarily the result of an $8.5 million increase in accounts receivable due to higher billings and timing of collections from our customers, a $11.2 million increase in deferred contract acquisition costs as our sales commission payments increased due to addition of new customers and expansion of our existing customer subscriptions, a $1.1 million increase in prepaid expenses and other assets and a $3.0 million net decrease in accounts payable, accrued expenses and other liabilities and accrued compensation, offset by a $22.6 million increase in deferred revenue.

Net cash used in operating activities during the six months ended January 31, 2017 was $2.6 million, which resulted from a net loss of $14.6 million, adjusted for non-cash charges of $13.8 million and net cash outflow of $1.7 million from changes in operating assets and liabilities. Non-cash charges primarily consisted of $3.3 million for depreciation and amortization expense, $3.8 million for amortization of deferred contract acquisition costs and $6.8 million for stock-based compensation expense. The net cash outflow from changes in operating assets and liabilities was primarily the result of a $7.2 million increase in accounts receivable due to higher billings and timing of collections from our customers, a $7.4 million increase in deferred contract acquisition costs as our sales commission payments increased due to addition of new customers and expansion of our existing customer subscriptions and a $1.5 million increase in prepaid expenses and other assets, offset by a $13.2 million increase in deferred revenue and a $1.2 million net increase in accounts payable, accrued expenses and other liabilities and accrued compensation.

Net cash used in operating activities during fiscal 2017 was $6.0 million, which resulted from a net loss of $35.5 million, adjusted for non-cash charges of $25.1 million and net cash inflow of $4.3 million from changes in operating assets and liabilities. Non-cash charges primarily consisted of $6.8 million for depreciation and amortization expense, $8.5 million for amortization of deferred contract acquisition costs and $9.9 million for stock-based compensation expense. The net cash inflow from changes in operating assets and liabilities was primarily the result of a $30.7 million increase in deferred revenue from advance invoicing in accordance with our subscription contracts and an aggregate of $10.2 million increase in prepaid expenses, accounts payable, accrued expenses and other liabilities and accrued compensation. The cash inflow was partially offset by a $22.0 million cash outflow from increased deferred contract acquisition costs as our sales commission payments increased due to the addition of new customers and expansion of our existing customer subscriptions, and a $14.6

million increase in accounts receivable due to increased billings from our growing customer base which resulted in an overall increased accounts receivable balance.

Net cash used in operating activities during fiscal 2016 was $11.9 million, which resulted from a net loss of $27.4 million, adjusted for non-cash charges of $13.9 million, and net cash inflow of $1.6 million from changes in operating assets and liabilities. Non-cash charges primarily consisted of $4.9 million for depreciation and amortization expense, $5.5 million for amortization of deferred contract acquisition costs and $3.6 million for stock-based compensation expense. The net cash inflow from changes in operating assets and liabilities was primarily the result of a $16.1 million increase in deferred revenue from advance invoicing in accordance with our subscription contracts and an aggregate $5.2 million increase in accounts payable, accrued compensation and accrued expenses and other liabilities. The cash inflows were partially offset by cash outflows resulting from a $13.5 million increase in deferred contract acquisition costs as our sales commission payments increased due to addition of new customers and expansion of our existing customer subscriptions, and a $6.2 million increase in accounts receivable due to increased billings from our growing customer base which resulted in an overall increased accounts receivable balance.

Net cash used in operating activities during fiscal 2015 was $3.3 million, which resulted from a net loss of $12.8 million, adjusted for non-cash charges of $8.3 million, and net cash inflow of $1.2 million from changes in operating assets and liabilities. Non-cash charges primarily consisted of $2.9 million for depreciation and amortization expense, $4.0 million for amortization of deferred contract acquisition costs and $1.6 million for stock-based compensation expense. The net cash inflow from changes in operating assets and liabilities was primarily the result of a $13.3 million increase in deferred revenue from advance invoicing in accordance with our subscription contracts, and an aggregate $1.3 million increase in accounts payable, accrued compensation and accrued expenses and other liabilities. The cash inflows were partially offset by cash outflows resulting from a $6.9 million increase in deferred contract acquisition costs as our sales commission payments increased due to addition of new customers and expansion of our existing customer subscriptions, a $1.7 million increase in prepaid expenses and other assets and a $4.7 million increase in accounts receivables due to lower collections.

Investing Activities

Net cash used in investing activities during the six months ended January 31, 2017 and 2018 of $4.4 million and $8.0 million, respectively, resulted primarily from capital expenditures for our cloud platform.

Net cash used in investing activities during fiscal 2016 and 2017 of $6.6 million and $8.3 million, respectively, resulted primarily from capital expenditures for our cloud platform.

Net cash used in investing activities during fiscal 2015 of $0.6 million resulted primarily from $6.7 million in capital expenditures for our cloud platform, partially offset by a $6.1 million sale of short-term investments.

Financing Activities

Net cash used in financing activities of $2.9 million during the six months ended January 31, 2018 was primarily due to $3.1 million in repurchases of common stock related to early exercised stock options and $2.9 million in payments of deferred offering costs related to this offering, partially offset by $0.9 million in proceeds from early exercised stock options and $2.2 million in proceeds from the exercise of stock options.

Net cash provided by financing activities of $1.4 million during the six months ended January 31, 2017 was primarily due to $1.0 million in proceeds from the exercise of stock options and $0.4 million in proceeds from repayments of notes receivable for the exercise of stock options.

Net cash provided by financing activities of $9.5 million during fiscal 2017 was primarily due to $3.0 million in proceeds from the exercise of stock options, $4.7 million in proceeds from the early exercise of stock options and $1.9 million in proceeds from repayments of notes receivable for the exercise of stock options.

Net cash provided by financing activities of $27.6 million during fiscal 2016 was primarily due to $25.0 million of proceeds from the issuance of preferred stock.

Net cash provided by financing activities of $85.6 million during fiscal 2015 was primarily due to $84.7 million of proceeds from the issuance of preferred stock.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations as of January 31, 2018:

	Payment Due by Period				
	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
	(in thousands)				
Operating leases	$ 8,082	$ 2,977	$ 4,588	$ 517	$ —
Non-cancelable purchase obligations	9,820	8,175	1,615	30	—
Data center contracts	9,573	4,717	4,556	300	—
Total	$ 27,475	$ 15,869	$ 10,759	$ 847	$ —

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

Off-Balance Sheet Arrangements

As of January 31, 2018, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Quantitative and Qualitative Disclosures About Market Risk

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

Interest Rate Risk

Our cash and cash equivalents primarily consist of cash on hand and highly liquid investments in money market funds, including overnight investments. As of January 31, 2018, we had cash and cash equivalents of $71.6 million. The carrying amount of our cash equivalents reasonably approximates fair value, due to the short maturities of these instruments. The primary objectives of our investment activities are the preservation of capital, the fulfillment of liquidity needs and the fiduciary control of cash and investments. We do not enter into investments for trading or speculative purposes. Our investments are exposed to market risk due to fluctuations in interest rates, which may affect our interest income and the fair market value of our investments. However, due to the short-term nature of our investment portfolio, we do not believe an immediate 10% increase or decrease in interest rates would have a material effect on the fair market value of our portfolio. We therefore do not expect our operating results or cash flows to be materially affected by a sudden change in market interest rates.

Foreign Currency Risk

The vast majority of our sales contracts are denominated in U.S. dollars, with a small number of contracts denominated in foreign currencies. A portion of our operating expenses are incurred outside the United States,

denominated in foreign currencies and subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the British Pound, Indian Rupee and Euro. Additionally, fluctuations in foreign currency exchange rates may cause us to recognize transaction gains and losses in our consolidated statements of operations. As the impact of foreign currency exchange rates has not been material to our historical operating results, we have not entered into derivative or hedging transactions, but we may do so in the future if our exposure to foreign currency becomes more significant.

Critical Accounting Policies and Estimates

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

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

Revenue Recognition

We elected to early adopt Accounting Standards Codification Topic 606, *Revenue From Contracts With Customers*, or ASC 606, effective August 1, 2017, using the full retrospective transition method. Under this method, we are presenting the consolidated financial statements for fiscal 2015, 2016 and 2017, as if ASC 606 had been effective for those periods.

In accordance with ASC 606, revenue is recognized when a customer obtains control of promised services. The amount of revenue recognized reflects the consideration that we expect to be entitled to receive in exchange for these services. To achieve the core principle of this new standard, we apply the following five steps:

1) Identify the contract with a customer

We consider the terms and conditions of the contracts and our customary business practices in identifying our contracts under ASC 606. We determine we have a contract with a customer when the contract is approved, we can identify each party's rights regarding the services to be transferred, we can identify the payment terms for the services, we have determined the customer to have the ability and intent to pay, and the contract has commercial substance. We apply judgment in determining the customer's ability and intent to pay, which is based on a variety of factors, including the customer's historical payment experience or, in the case of a new customer, credit and financial information pertaining to the customer.

2) Identify the performance obligations in the contract

Performance obligations promised in a contract are identified based on the services that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the service either on its own or together with other resources that are readily available from third parties or from us, and are distinct in the context of the contract, whereby the transfer of the services is separately identifiable from other promises in the contract. Our performance obligations consist of (i) our subscription and support services and (ii) professional and other services.

3) Determine the transaction price

The transaction price is determined based on the consideration to which we expect to be entitled in exchange for transferring services to the customer. Variable consideration is included in the transaction price if, in our judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. None of our contracts contain a significant financing component.

4) Allocate the transaction price to performance obligations in the contract

If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on a relative standalone selling price, or SSP.

5) Recognize revenue when or as we satisfy a performance obligation

Revenue is recognized at the time the related performance obligation is satisfied by transferring the promised service to a customer. Revenue is recognized when control of the services is transferred to our customers, in an amount that reflects the consideration that we expect to receive in exchange for those services. We generate all our revenue from contracts with customers.

Subscription and Support Revenue

We generate revenue primarily from sales of subscriptions to access our cloud platform, together with related support services to our customers. Arrangements with customers do not provide the customer with the right to take possession of our software operating our cloud platform at any time. Instead, customers are granted continuous access to our cloud platform over the contractual period. A time-elapsed output method is used to measure progress because we transfer control evenly over the contractual period. Accordingly, the fixed consideration related to subscription and support revenue is generally recognized on a straight-line basis over the contract term beginning on the date that our service is made available to the customer.

The typical subscription and support term is one to three years. Most of our contracts are non-cancelable over the contractual term. Customers typically have the right to terminate their contracts for cause if we fail to perform in accordance with the contractual terms. Some of our customers have the option to purchase additional subscription and support services at a stated price. These options generally do not provide a material right as they are priced at our SSP.

Professional and Other Services Revenue

Professional and other services revenue consists of fees associated with providing deployment advisory services that educate and assist our customers on the best use of our solutions, as well as advise customers on best practices as they deploy our solution. These services are distinct from subscription and support services. Professional services do not result in significant customization of the subscription service. Revenue from professional services provided on a time and materials basis is recognized as the services are performed. Total professional and other services revenue has historically been insignificant.

Contracts with Multiple Performance Obligations

Most of our contracts with customers contain multiple promised services consisting of (i) our subscription and support services and (ii) professional and other services that are distinct and accounted for separately. The transaction price is allocated to the separate performance obligations on a relative SSP basis. We determine SSP based on our overall pricing objectives, taking into consideration the type of subscription and support services and professional and other services, the geographical region of the customer and the number of users.

Variable Consideration

Revenue from sales is recorded at the net sales price, which is the transaction price, and includes estimates of variable consideration. The amount of variable consideration that is included in the transaction price is constrained, and is included in the net sales price only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue will not occur when the uncertainty is resolved.

If our services do not meet certain service level commitments, our customers are entitled to receive service credits, and in certain cases, refunds, each representing a form of variable consideration. We have not historically experienced any significant incidents affecting the defined levels of reliability and performance as required by our subscription contracts. Accordingly, any estimated refunds related to these agreements in the consolidated financial statements were not material during the periods presented.

We provide rebates and other credits within our contracts with certain customers which are estimated based on the most likely amounts expected to be earned or claimed on the related sales transaction. Overall, the transaction price is reduced to reflect our estimate of the amount of consideration to which we are entitled based on the terms of the contract. Estimated rebates and other credits were not material during the periods presented.

Contract Balances

Contract liabilities consist of deferred revenue and include payments received in advance of performance under the contract. Such amounts are recognized as revenue over the contractual period.

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

Costs to Obtain and Fulfill a Contract

We capitalize sales commissions and associated payroll taxes paid to internal sales personnel that are incremental to the acquisition of channel partner and direct customer contracts. These costs are recorded as deferred contract acquisition costs on the consolidated balance sheets. We determine whether costs should be deferred based on our sales compensation plans, if the commissions are in fact incremental and would not have occurred absent the customer contract.

Sales commissions for renewal of a contract are not considered commensurate with the commissions paid for the acquisition of the initial contract given the substantive difference in commission rates in proportion to their respective contract values. Commissions paid upon the initial acquisition of a contract are amortized over an estimated period of benefit of five years while commissions paid for renewal contracts are amortized over the contractual term of the renewals. Amortization is recognized on a straight-line basis commensurate with the pattern of revenue recognition. We determine the period of benefit for commissions paid for the acquisition of the initial contract by taking into consideration the expected subscription term and expected renewals of our customer contracts, the duration of our relationships with customers, customer retention data, our technology development life cycle and other factors. Management exercises judgment to determine the period of benefit to amortize contract acquisition costs by considering factors such as expected renewals of customer contracts, duration of customer relationships and our technology development life cycle. Although we believe that the historical assumptions and estimates we have made are reasonable and appropriate, different assumptions and estimates could materially impact our reported financial results. Amortization of deferred contract acquisition costs is included in sales and marketing expense in the consolidated statements of operations. We periodically review these deferred costs to determine whether events or changes in circumstances have occurred that could impact the period of benefit of these deferred contract acquisition costs.

Stock-Based Compensation

Stock-based compensation expense related to stock awards is recognized based on the fair value of the awards granted. The fair value of each option award is estimated on the grant date using the Black-Scholes option pricing model and a single option award approach. Stock-based compensation expense is recognized over the requisite service period of the awards, which is generally four years.

During fiscal 2015, 2016 and 2017, we recognized stock-based compensation expense, net of estimated forfeitures. We used historical data to estimate pre-vesting forfeitures and recorded stock-based compensation expense only for those grants that were expected to vest. On August 1, 2017, we adopted Accounting Standard Update No. 2016-09, *Compensation—Stock Compensation: Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"), which simplifies several aspects of the accounting for employee share-based payment transactions. In accordance with ASU 2016-09, we have elected to account for forfeitures as they occur instead of estimating the number of awards expected to be forfeited and adjusting the estimate when it is no longer probable that the employee will fulfill the service condition. Adoption of this provision during our first quarter of fiscal 2018 resulted in a cumulative-effect adjustment to accumulated deficit of $0.4 million, net of tax, as of the date of adoption.

Additionally, upon adoption of ASU 2016-09, on a modified retrospective basis, the previously unrecognized excess tax benefits of $0.9 million as of July 31, 2017 were recorded as an increase of U.S. federal and state deferred tax assets, which was substantially offset by our valuation allowance. Prospectively, all excess tax benefits and deficiencies will be recognized in the income statement as a component of our income tax expense or benefit. Further, we will present excess tax benefits as an operating activity in the consolidated statements of cash flows on a prospective basis. For the six months ended January 31, 2018, the net excess tax benefits related to equity awards was not material.

We also assess the impact of recording stock-based compensation expense when certain of our affiliated stockholders purchase shares from our employees in excess of fair value of such shares. We recognize any such excess value as stock-based compensation expense in our consolidated statements of operations. During fiscal 2017, we recorded $4.4 million in stock-based compensation expense from a one-time secondary stock purchase transaction that was executed among certain of our employees and certain of our affiliated stockholders, including entities controlled by Jay Chaudhry, our president, chief executive officer and chairman of the board of directors, and Lane Bess, a member of our board of directors. Stock-based compensation expense related to non-employee stock options was immaterial to our consolidated statements of operations for the periods presented.

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 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 option 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.* Because our common stock is not yet publicly traded, we must estimate the fair value of common stock, as discussed in "Common Stock Valuations" below.
- *Expected Term.* The expected term represents the period that our stock-based awards are expected to be outstanding. The expected term assumptions were determined based on the vesting terms, exercise terms and contractual lives of the options. The expected term was estimated using the simplified method allowed under SEC guidance.
- *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 used in the Black-Scholes option pricing model 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, 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:

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
Expected term (in years)	4.6	4.6	4.6	4.6	4.6
Expected stock price volatility	38.8%	43.6% - 45.2%	41.4% - 43.3%	43.3%	40.4%-41.5%
Risk-free interest rate	1.2% - 1.7%	1.1% - 1.6%	1.1% - 2.0%	1.1%-1.6%	1.7%-2.6%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%

We will continue to use judgment in evaluating the assumptions related to our stock-based compensation on a prospective basis. As we continue to accumulate additional data related to our common stock, we may refine our estimation process, which could materially impact our future stock-based compensation expense.

Common Stock Valuations

The fair value of the common stock underlying our stock options was determined by our board of directors, after considering contemporaneous third-party valuations and input from management. The valuations of our common stock were determined in accordance with the guidelines outlined in the American Institute of Certified Public Accountants Practice Aid, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation.* In the absence of a public trading market, our board of directors, with input from management, exercised significant judgment and considered numerous objective and subjective factors to determine the fair value of our common stock as of the date of each option grant, including the following factors:

- contemporaneous valuations performed at periodic intervals by unrelated third-party valuation firms;
- the prices, rights, preferences and privileges of our convertible preferred stock relative to those of our common stock;
- the lack of marketability of our common stock;
- our actual and expected operating and financial performance;
- current business conditions and projections;
- our hiring of key personnel and the experience of our management;
- our history and the timing of the introduction of new services;
- our stage of development;
- the likelihood of achieving a liquidity event, such as an initial public offering or a merger or acquisition of our business given prevailing market conditions;
- the illiquidity of stock-based awards involving securities in a private company;
- the market performance of comparable publicly traded companies;
- secondary stock transactions, including a one-time secondary stock purchase transaction that was executed among certain of our employees and certain of our affiliated stockholders, including entities

controlled by Jay Chaudhry, our president, chief executive officer and chairman of our board of directors, and Lane Bess, a member of our board of directors; and

- U.S. and global capital markets conditions.

The valuations performed by unrelated third-party specialists were just one factor used by our board of directors to assist with the valuation of the common stock.

In valuing our common stock, the fair value of our business, or enterprise value, was determined using both the income approach and market approach. The income approach estimates value based on the expectation of future cash flows that a company will generate. These future cash flows are discounted to their present values using a discount rate based on the capital rates of return for venture-backed early stage companies and is adjusted to reflect the risks inherent in our cash flows. The market approach estimates value based on a comparison of the subject company to comparable public companies in a similar line of business. From the comparable companies, a representative market value multiple is determined and then applied to the subject company's financial results to estimate the value of the subject company.

The resulting equity value was then allocated to each class of stock using an Option Pricing Model, or OPM, and Probability Weighted Expected Return Method, or PWERM. The OPM treats common stock and convertible preferred stock as call options on an enterprise value, with exercise prices based on the liquidation preference of our convertible preferred stock. The common stock is modeled as a call option with a claim on the enterprise at an exercise price equal to the remaining value immediately after our convertible preferred stock is liquidated. The OPM is appropriate to use when the range of possible future outcomes is difficult to predict and thus creates highly speculative forecasts. PWERM involves a forward-looking analysis of the possible future outcomes of the enterprise. This method is particularly useful when discrete future outcomes can be predicted at a relatively high confidence level with a probability distribution. Discrete future outcomes considered under the PWERM include an initial public offering, or IPO, as well as non-IPO market based outcomes. Determining the fair value of the enterprise using the PWERM requires us to develop assumptions and estimates for both the probability of an IPO liquidity event and non-IPO outcomes, as well as the values we expect those outcomes could yield. We apply significant judgment in developing these assumptions and estimates, primarily based upon the enterprise value we determined using the market approach, our knowledge of the business and our reasonable expectations of discrete outcomes occurring. After the equity value is determined and allocated to the various classes of shares, a discount for lack of marketability, or DLOM, is applied to arrive at the fair value of common stock. A DLOM is applied based on the theory that as an owner of a private company stock, the stockholder has limited opportunities to sell this stock and any such sale would involve significant transaction costs, thereby reducing overall fair market value.

Our assessments of the fair value of common stock for grant dates between the dates of the valuations were based in part on the current available financial and operational information and the common stock value provided in the most recent valuation as compared to the timing of each grant. For financial reporting purposes, we considered the amount of time between the valuation date and the grant date to determine whether to use the latest common stock valuation. This determination included an evaluation of whether the subsequent valuation indicated that any significant change in valuation had occurred between the previous valuation and the grant date.

Upon completion of this offering, our common stock will be publicly traded and will therefore be subject to potentially significant fluctuations in the market price. Increases and decreases in the market price of our common stock will also increase and decrease the fair value of our stock-based awards granted in future periods.

Income Taxes

We are subject to federal, state and local taxes in the United States as well as in other tax jurisdictions or countries in which we conduct business. Earnings generated by our non-U.S. activities are related to applicable

transfer pricing requirements under local country income tax laws. We account for uncertain tax positions based on those positions taken or expected to be taken in a tax return. We determine if the amount of available support indicates that it is more likely than not that the tax position will be sustained on audit, including resolution of any related appeals or litigation processes. We then measure the tax benefit as the largest amount that is more than 50% likely to be realized upon settlement.

We have a full valuation allowance for our net deferred tax assets generated from our U.S. operations. We will continue to assess the need for such valuation allowance on our deferred tax assets by evaluating both positive and negative evidence that may exist. Any adjustment to the deferred tax asset valuation allowance would be recorded in the periods in which the adjustment is determined to be required.

On December 22, 2017, the U.S. government enacted the Tax Act, which makes significant changes to the U.S. tax code. The Tax Act contains several key tax provisions that affect us, including, but not limited to, reducing the U.S. federal corporate tax rate from 34% to 21% for tax years beginning after December 31, 2017, imposing a one-time repatriation tax on deemed repatriated earnings and changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017. On December 22, 2017, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act, or SAB 118, which provides guidance on accounting for the Tax Act's impact and allows registrants to record provisional amounts during a measurement period not to extend beyond one year of the enactment date.

We have not completed our accounting assessment for the effects of the Tax Act; however, based on our initial assessment, we have determined that the Tax Act did not have a material impact on our consolidated financial statements in our fiscal quarter ending January 31, 2018, the period in which the legislation was enacted. We currently maintain a full valuation allowance recorded against our U.S. federal deferred tax assets and we anticipate incurring a loss in fiscal 2018. As such, the remeasurement of the deferred tax assets and related valuation allowance is not expected to have a material impact to the financial statements in fiscal 2018, other than disclosures in our year-end financial statements. Because of our full valuation allowance, there is no tax expense associated with the one-time transition tax. We expect to complete our assessment within the measurement period in accordance with SAB 118.

JOBS Act Accounting Election

We are an emerging growth company, as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Recently Issued Accounting Pronouncements

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

BUSINESS

Mission Statement

Our mission is to empower organizations to realize the full potential of the cloud and mobility by securely connecting users to applications from any device, anywhere.

Overview

Zscaler was incorporated in 2007, during the early stages of cloud adoption and mobility, based on a vision that the internet would become the new corporate network as the cloud becomes the new data center. We predicted that with rapid cloud adoption and increasing workforce mobility, traditional perimeter security approaches would provide inadequate protection for users and data and an increasingly poor user experience. We pioneered a security cloud that represents a fundamental shift in the architectural design and approach to network security.

Enterprise applications are rapidly moving to the cloud to achieve greater IT agility, a faster pace of innovation and lower costs. Organizations are increasingly relying on internet destinations for a range of business activities, adopting new external SaaS applications for critical business functions and moving their internally managed applications to the public cloud, or IaaS. Enterprise users now expect to be able to seamlessly access applications and data, wherever they are hosted, from any device, anywhere in the world. We believe these trends are indicative of the broader digital transformation agenda, as businesses increasingly succeed or fail based on their IT outcomes.

We believe that securing the on-premises corporate network to protect users and data is becoming increasingly irrelevant in a cloud and mobile-first world where organizations depend on the internet, a network they do not control and cannot secure, to access critical applications that power their businesses. We pioneered a new approach to security that connects the right user to the right application, regardless of network. Our cloud platform, which delivers security as a service, eliminates the need for traditional on-premises security appliances that are difficult to maintain and require compromises between security, cost and user experience. Our cloud platform incorporates the security functionality needed to enable users to safely utilize authorized applications and services based on an organization's policies. Our solution is a purpose-built, multi-tenant, distributed cloud security platform that secures access for users and devices to applications and services, regardless of location.

Zscaler offers two principal cloud services:

- Zscaler Internet Access securely connects users to externally managed applications, including SaaS applications and internet destinations, regardless of device or location. Our ZIA solution sits between users and the internet and is designed to ensure malware does not reach the user and valuable corporate data does not leak out. Our ZIA solution enforces access based on granular access control policies, inspects unencrypted and encrypted internet traffic inline for malware and advanced threats and prevents data leakage.
- Zscaler Private Access offers authorized users secure and fast access to internally managed applications hosted in enterprise data centers or the public cloud. Our ZPA solution's highly innovative architecture does not expose the identity or location of these applications and provides only the necessary and appropriate levels of access. While traditional remote access solutions, such as VPNs, connect a user to the corporate network, our ZPA solution connects a specific user to a specific application, without bringing the user on the network, resulting in better security.

Before our platform, the corporate data center served as the central hub of IT security, with a physical network perimeter used to separate corporate users, devices and applications from the internet. Today, the network perimeter consists of appliances that have become fundamentally less effective as applications, data,

users and devices rapidly move off the corporate network, making the notion of a corporate perimeter obsolete. In a world where more companies are shifting their most critical IT assets to the cloud, cloud-first security is required. Our architecture is vastly different from the traditional "hub-and-spoke" corporate perimeter, where traffic from branch offices is routed to centralized data centers for security scanning and policy enforcement before reaching its destination. In contrast, our security cloud sits between an organization's users and devices, and the internet, inspecting traffic. Our solutions enable customers to set policies that follow users, so a consistent level of protection is applied no matter where users are located or how they are connected to the internet. We provide all of this security at scale, processing almost 40 billion internet requests per day during our peak period over the past six months. Our platform eliminates the need for organizations to buy and manage a variety of appliances that need to be maintained by a large number of highly skilled security personnel, who are expensive and in increasingly short supply.

Our multi-tenant architecture is distributed across over 100 data centers globally, which allows us to secure users across 185 countries. Each day, we block over 100 million threats and perform over 120,000 unique security updates. Our customers benefit from the network effect of our growing cloud because once a new threat is detected, it can be blocked for users across our entire customer base within minutes.

Our customers protect their users by routing their internet traffic through our cloud platform. Some of the largest enterprises and government agencies in the world rely on our solutions to help them accelerate their move to the cloud. We have over 2,800 customers across all major geographies, with an emphasis on larger organizations, and we currently count over 200 of the Forbes Global 2000 as customers. Our customers span every major industry, including airlines and transportation, conglomerates, consumer goods and retail, financial services, healthcare, manufacturing, media and communications, public sector and education, technology and telecommunications services.

Although we have a channel sales model, we use a joint sales approach in which our sales force develops relationships directly with our customers and engages at senior levels within IT organizations. We amplify our sales presence and effectiveness by leveraging our network of global telecommunications service provider, system integrator and value-added reseller partners. Many of these channel partners engage at the C-level to discuss strategic network transformation and cloud migration projects, and we work with these channel partners to deliver security solutions to their most important enterprise customers. Our service provider partners include BT Telecommunications plc, Deutsche Telekom AG, Orange S.A. and Verizon Communications Inc. Our systems integrator partners include, Deloitte LLP and HCL America, Inc. We work with high-touch value-added resellers to broaden our reach to mid-market customers. Our channel partner relationships provide us with significant leverage in sales and marketing and help us pursue our market opportunity.

We have experienced significant growth, with revenue increasing from $53.7 million in fiscal 2015 to $80.3 million in fiscal 2016 to $125.7 million in fiscal 2017, representing year-over-year revenue growth of 50% and 57%, respectively. Our revenue increased from $56.2 million for the six months ended January 31, 2017 to $84.8 million for the six months ended January 31, 2018, representing a period-over-period revenue growth of 51%. Our net loss increased from $12.8 million in fiscal 2015 to $27.4 million in fiscal 2016 to $35.5 million in fiscal 2017. Our net loss also increased from $14.6 million for the six months ended January 31, 2017 to $17.9 million for the six months ended January 31, 2018. We expect we will continue to incur net losses for the foreseeable future.

Industry Background

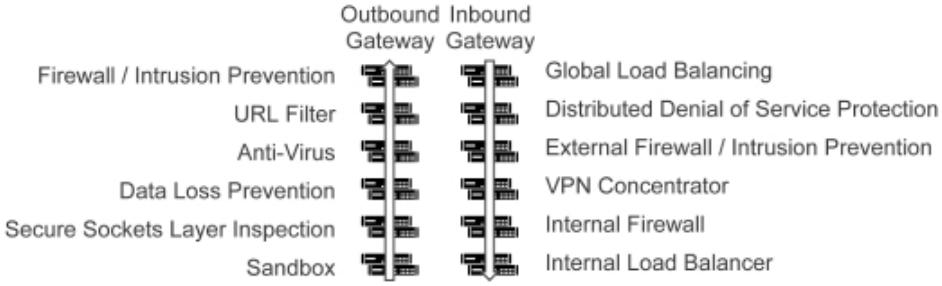
Traditional security approaches focused on establishing a perimeter around the corporate network

For over 30 years, IT security focused on protecting an organization by establishing a perimeter to secure the corporate network. This approach was based on the premise that all enterprise users, data and applications resided on the corporate network. To meet the requirements of this approach, organizations:

- *Deployed a "castle-and-moat" security approach where the corporate network was the "castle" that was surrounded by a "moat" of security appliances.* To allow traffic in and out of the "castle," organizations created internet gateways that provide a drawbridge across the "moat." These gateways initially consisted of a network firewall to establish a physical perimeter separating the internet from users, data and applications. As internet traffic increased and cyberattacks became more sophisticated, the "moat" was expanded to include new appliances to form an outbound gateway to enable users to access the internet. This gateway, or DMZ, was comprised of URL filtering, anti-virus, data loss prevention and sandbox appliances. In addition to outbound internet gateways, organizations introduced inbound gateways to bring remote users into the corporate network. Inbound gateways generally consist of load balancers, DDoS protection, firewalls and VPN concentrators.

Internet Gateways

Under the legacy approach, internet and VPN traffic must pass through a DMZ consisting of multiple appliances



- *Built a "hub-and-spoke" network architecture that required traffic from branch offices to be routed to centralized data centers.* Due to the expense of purchasing and maintaining security appliances, many organizations built only a small number of internet gateways ("hubs") and routed traffic from branch offices across wide area network links ("spokes") through these gateways to apply security checks and access controls. The procurement of MPLS services which are used to transmit this traffic between branches and centralized data centers represents a large portion of enterprise IT budgets. A significant portion of this spend is related to the need to apply security scanning and policy enforcement at a central corporate data center after aggregating inbound and outbound internet traffic from multiple branch locations. To provide access to mobile and remote users, organizations also deployed VPNs, which added a new ephemeral type of "spoke," further increasing the sprawl and complexity of the "hub-and-spoke" network.

Cloud and mobility offer opportunities while also introducing new challenges for enterprises

Organizations are undergoing a massive shift in their IT strategies. The adoption of cloud applications and infrastructure, explosion of internet traffic volumes and shift to mobile-first computing enhance business agility and have become a strategic imperative for CIOs. According to a McKinsey & Company survey, large enterprise adoption of the public cloud as the primary environment for at least one workload type will jump from 10% in 2015 to 51% in 2018. Organizations are embracing these trends to empower business users, increase speed of deployment, create new customer experiences, reengineer business processes and find new opportunities for

growth. At the same time, it is difficult for enterprises to embrace these trends with the traditional "castle-and-moat" security architecture because it introduces several key IT challenges:

- *Growing use of the cloud and the internet creates gaps in security coverage.* Enterprise applications are increasingly moving from being hosted in on-premises data centers within the corporate network to SaaS applications hosted in the public cloud, such as Microsoft Azure, Amazon Web Services and Google Cloud Platform. The growing use of the public cloud can significantly increase business risk, as security policies that are consistently applied within the traditional corporate network either cannot be enforced or are easily circumvented in a cloud environment. Employees may directly connect to the internet or cloud applications from a personal or corporate device outside of the corporate network, bypassing traditional network security appliances and exposing the user to potential cyberattacks. Infected users can then introduce viruses and malware onto the corporate network when they return to the workplace or connect to the network remotely. Additionally, users can access cloud applications without approval and in violation of corporate security policies, further increasing the surface area for potential attacks. According to an NTT Communications survey of decision makers, 77% of respondents have used a third-party cloud application without the approval or knowledge of their IT departments.
- *Microsoft Office 365 strains network capacity and data center infrastructure.* Unlike other SaaS applications that are used intermittently or by specific departments, Microsoft Office 365 moves many of an organization's most heavily used applications, such as Exchange and SharePoint, to the cloud. As companies continue to adopt cloud office solutions, such as Microsoft Office 365, the increase in associated internet traffic can potentially overwhelm the existing network and security infrastructure. Pervasive, enterprise-wide cloud applications such as Microsoft Office 365 change network usage by adding up to eight or more persistent internet connections per user, and increasing an organization's internet traffic by up to 28% for Outlook alone, based on case studies and support documentation published by Microsoft.
- *Workforce mobility makes every user a potential source of security vulnerability.* The shift towards an increasingly mobile workforce has caused employees to demand easy and fast access to the internet and on-premises and cloud applications, regardless of device or location. To permit access for their mobile employees, organizations have typically relied on VPNs, which grant the user access to the corporate network instead of just the application that is requested. This creates increased points of vulnerability, because a single compromised VPN user can expose the entire corporate network.

These challenges are exacerbated by an increasingly severe cyber threatscape

Today's sophisticated hackers, motivated by financial, criminal and terrorist objectives, are exploiting the gaps left by existing network security approaches with increasingly sophisticated and evolving threats. The growing dependence on the internet has increased exposure to malicious or compromised websites that lure users to unsuspectingly download malware and botnets. According to Mozilla Firefox, over 60% of browser-based internet traffic is encrypted using Secure Socket Layer, or SSL. In addition, according to research derived from ThreatLabZ, our security research arm, the use of SSL encryption is increasing rapidly and has become one of the most effective tactics used by hackers to avoid detection by existing appliances and bypass the defenses of an overwhelmed network security infrastructure. According to the Computer Crime and Intellectual Property Section of the DOJ, more than 4,000 ransomware attacks have occurred every day since the beginning of 2016, a 300% increase over 2015, and we expect this number to continue to rise. As a result, organizations are more exposed than ever to today's hackers and cyberattacks.

The traditional perimeter security approach is the principal reason enterprises struggle to realize the true benefits of cloud and mobility

When users are mobile, working remotely or in branch offices, and the applications they use are in the cloud, routing traffic back across a "hub-and-spoke" network to the data center for access and security controls

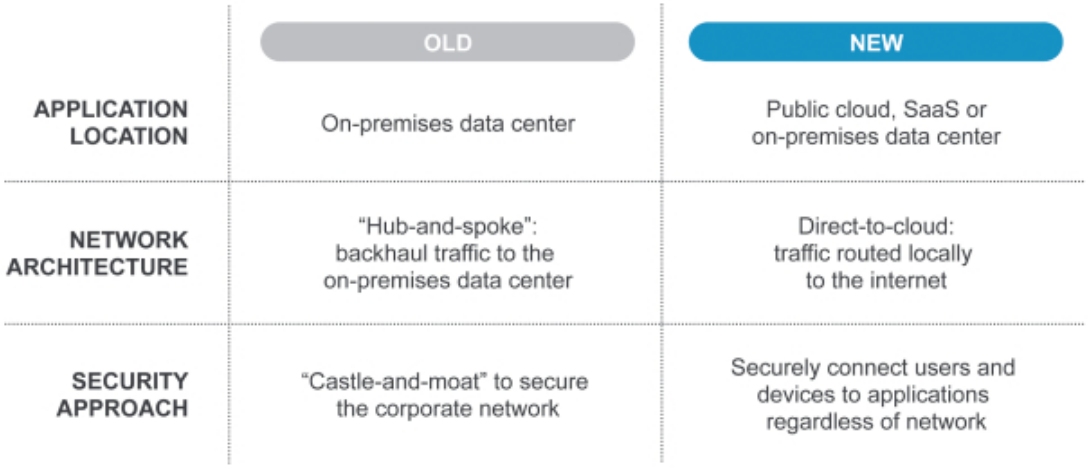
provides a poor user experience. To deliver a fast user experience, traffic needs to be routed directly to the internet. Routing traffic directly to the internet, while maintaining access and security controls, may require deployment of hundreds, if not thousands, of internet gateways, which would be prohibitively expensive to purchase, deploy and manage. Even if organizations made these investments, this would create a false sense of security as traditional appliances were designed to protect the on-premises network and are limited in their ability to detect and prevent the increasing number and diversity of sophisticated threats in the cloud.

The traditional perimeter security approach has the following limitations:

- ***Poor user experience:*** Backhauling traffic through traditional dedicated Wide Area Network, or WAN, techniques, such as MPLS or leased lines and the serial processing of traffic by network security appliances introduces latency that results in a poor user experience.
- ***Security tradeoffs:*** The traditional stack of security appliances in a data center or branch office is limited by its processing power, which forces organizations to make compromises between the number of appliances they can afford and the level of inspection they can perform. As the majority of internet traffic is now encrypted, this tradeoff is increasingly risky as organizations often do not have or do not utilize SSL decryption on their appliances and are therefore blind to a large proportion of their traffic. In addition, security appliances come from a heterogeneous array of vendors and are not designed to share threat information, leading to a severe limitation in the level of threat detection and prevention.
- ***Cost:*** Routing traffic over a dedicated WAN to a centralized gateway is expensive to purchase, maintain and manage. In addition, appliances require significant capital expenditures for both initial purchases and ongoing refresh cycles.
- ***Complexity:*** Deploying, integrating and maintaining numerous gateways, each of which is a collection of heterogeneous network and security appliances, each with separate management and reporting systems, is resource intensive and complex to manage. This complexity leads to reduced reliability of the networking and security infrastructure.

A new approach to security is needed

The adoption of cloud and mobility requires a new approach to secure users and data regardless of the network. The "castle-and-moat" security approach was effective when users, applications and devices resided on the corporate network, and the organization could be protected by securing the corporate network. However, as enterprise applications move to the cloud, users move off the corporate network and new threat types emerge, the stacks of security appliances protecting the corporate network increasingly lose relevance and effectiveness. In a cloud-enabled and mobile-first world, security must be pervasive across the internet and capable of protecting users who directly access the cloud without connecting to a specific corporate network. Similarly, instead of the "castle-and-moat" approach where security is only applied if the user is on the network, security needs to be abstracted from the on-premises corporate network such that policies securely connect the right user to the right application regardless of device, location or network.



Further, a security platform that provides comprehensive security and also allows organizations to fully benefit from the cloud and mobility trends must provide the following:

- ***Secure access for all applications and data.*** Organizations need to be able to provide seamless access to internet destinations, SaaS applications and internally managed line-of-business applications hosted in corporate data centers or in the public cloud.
- ***Protection for all users on all devices, regardless of location.*** Organizations must be able to support the changing ways in which employees work. An effective solution must support all users accessing the internet using corporate and personally owned devices, anywhere in the world, while applying consistent policies.
- ***Comprehensive security without tradeoffs between security, performance and budget.*** A comprehensive security platform needs to provide security across all ports and protocols and for all content, without compromising on performance, accessibility or budget.
- ***Unbounded scale to support growing internet traffic.*** An effective security solution needs to be able to scale with an organization's demands and provide globally consistent security.
- ***Extensible platform to adapt to changing technical and business requirements.*** Security innovations need to accelerate to combat the growth of increasingly sophisticated cyberattacks, and an effective security platform must be able to quickly adapt to a changing threat landscape and security needs by rapidly adopting new technologies and techniques.

- ***Elimination of certain network security costs and ease of management.*** A true security solution for the cloud must also have the economic benefits of a cloud platform. The solution should eliminate certain network security costs with little to no ongoing maintenance.

Our Solution

Our security cloud, which is distributed across more than 100 data centers around the world, helps organizations accelerate their IT transformation to the cloud. This enables the secure migration of applications from the corporate data center to the cloud and from a legacy "hub-and-spoke" network to a modern direct-to-cloud architecture. Our approach applies policies set by an organization to securely connect the right user to the right application, regardless of the network. Unlike traditional "hub-and-spoke" architectures, where traffic is backhauled over dedicated WANs to centralized gateways, our solution allows traffic to be routed locally and securely to the internet over broadband and cellular connections. We offer two principal cloud services:

- Our ZIA solution securely connects users to externally managed applications, including SaaS applications and internet destinations, regardless of device, location or network. Our ZIA solution sits between users and the internet and is designed to ensure malware does not reach the user and valuable corporate data does not leak out. Our ZIA solution enforces access based on granular access control policies, inspects unencrypted and encrypted internet traffic inline for malware and advanced threats and prevents data leakage.
- Our ZPA solution offers authorized users secure and fast access to internally managed applications hosted in enterprise data centers or the public cloud. Our ZPA solution's highly innovative architecture does not expose the identity or location of these applications and provides only the necessary and appropriate levels of access. While traditional remote access solutions, such as VPNs, connect a user to the corporate network, our ZPA solution connects a specific user to a specific application, without bringing the user on the network, resulting in better security.

Fast, Secure Access to the Internet and Applications

Key benefits:

- ***Better user experience.*** With our direct-to-cloud architecture, users connect to the nearest Zscaler data center, taking the shortest path to the application or internet destination, resulting in a fast user

experience. Our integrated ZIA solution scans and inspects packets, performing multiple threat prevention techniques in a single pass, as opposed to serial processing performed by existing network security appliances, which introduces incremental latency. We have also established direct network connections within data centers with many of the top internet providers, SaaS companies and service providers to accelerate application performance through our cloud. Our ZPA solution dynamically selects the optimal path to provide fast and seamless access to internally-managed applications without the overhead of VPNs.

- ***Improves security and reduces business risk.*** Our cloud platform was designed so that policies set by an organization follow the user to provide identical protection whether they connect from the corporate office, hotel or coffee shop when accessing the internet, SaaS and internally-managed applications hosted in the data center or public cloud. Our ZIA solution was designed to provide full inline inspection of internet traffic, including full SSL inspection, and performs real-time threat correlation using multiple techniques for better threat prevention. The scale of our global cloud provides us with a network effect that delivers insight into advanced and zero-day threats as they emerge. Unlike traditional remote access technologies, such as VPNs, our ZPA solution decouples the application from the network and connects each application to each authorized user based on granular policies. By employing secure outbound connections and never exposing the location of the application, our ZPA solution significantly reduces the attack surface and shuts down a commonly exploited vulnerability. All of this results in superior security for organizations as they embrace the cloud and mobility.
- ***Eliminates certain network security costs.*** Our solutions result in significant cost savings for our customers when compared to appliance-based architectures, and they also provide our customers with significant network infrastructure cost savings. With our integrated security platform and the ability of our platform to enable traffic to be locally routed to the internet, our solutions eliminate the cost of buying and managing multiple network security appliances and MPLS backhaul costs over a WAN for our customers. Our subscription model results in costs shifting from capital expenditures to operating expenditures, which reduces upfront outlays, and allows our customers to scale their security requirements as their needs grow. Furthermore, we centrally manage and maintain the full security solution portfolio for our customers, reducing their need to hire and retain increasingly scarce and expensive security personnel. Lastly, we offer pricing calculated on a per user basis instead of based on traffic volume, which is the common approach to legacy appliance pricing. Therefore, even during times of peak internet traffic our pricing remains constant for our customers.
- ***Simplicity.*** Our solution delivers the functions of a traditional internet gateway as a cloud service. This significantly reduces the complexity and personnel required as compared to managing a traditional appliance-based security approach. Getting started with our platform is as simple as forwarding traffic to our security cloud, and once it is deployed, we help simplify the entire enterprise network topology by minimizing the need for “hub-and-spoke” networks and related hardware infrastructure.

Competitive Strengths

Our competitive strengths include:

- ***Security platform purpose-built for the cloud and designed for rapid innovation.*** In order to achieve the performance and scalability necessary to deliver a highly reliable and available service that sits in the data path of our customers, we developed many core technologies, including a proprietary TCP/IP stack, which are protected by over 100 issued and pending patents. Our highly differentiated multi-tenant distributed cloud security platform enables the rapid development and delivery of new offerings. In the past few years, we introduced several cloud services, including Cloud Sandbox, Cloud Firewall, Bandwidth Control and ZPA, which are disrupting major product categories. Furthermore, the architecture of our platform and the scale of our global operations create an opportunity for us to open up our cloud security platform to third party developers and applications, further extending our platform’s functionality and increasing the value of the platform.

- ***Pioneer and market leader for cloud security with an established brand.*** We are a globally recognized leader in cloud security. In 2015, we were recognized by Forrester as a leader in "The Forrester Wave™: SaaS Web Content Security, Q2 2015" report. We were also awarded Best Cloud Computing Security Solution by SC Magazine in 2016, and we have won numerous other industry awards.
- ***Proven operational excellence as a mission critical cloud service.*** We built the Zscaler platform over nine years and with over 600 person years of development effort. We have accumulated deep insights in designing and operating a highly available, scalable and resilient cloud infrastructure. Operating a service like ours requires years of experience running a globally distributed cloud that takes traffic from users across 185 countries and connects them to internet and cloud destinations with high availability and fast response times. To do so requires significant learning across network architecture and design, optimization of internet peering, event monitoring, continuous updates without interruption and enabling true elasticity of performance across rapidly changing customer workloads. Since 2014, our platform has received ISO 27001 certification, and we are in the process of becoming Federal Risk and Authorization Management Program, or FedRAMP, certified to serve the U.S. government as a Cloud Service Partner. As a purpose-built cloud platform, we continuously push security updates at a rate that cannot be matched by traditional security appliance architecture.
- ***Scalable go-to-market strategy driving C-level engagement.*** We believe we have a differentiated go-to-market strategy that delivers a higher level of engagement with senior leaders within the IT organization. Although we have a channel sales model, we use a joint sales approach in which our sales force develops relationships directly with our customers, and together with our network of global telecommunications service provider, system integrator and value-added reseller partners, works on account penetration, account coordination, sales and overall market strategy. We have established and continue to develop long-standing relationships with global telecommunications service provider partners, including BT Telecommunications plc, Deutsche Telekom AG, Orange S.A. and Verizon Communications Inc. In addition, we have and are expanding our relationships with system integrators, including, Deloitte LLP and HCL America, Inc. Each relationship entails significant technical interoperability and rigorous performance testing of our cloud infrastructure, education and training of our channel partners' marketing and sales professionals, support integration and alignment of pricing strategies. These channel partners are engaging at the C-level to discuss strategic network transformation and cloud migration projects, and we work with these channel partners to deliver security solutions to their most important enterprise customers. We have spent many years building these deeply entrenched relationships, and we expect to generate increasing sales leverage from this investment.
- ***Experienced management team and deep security expertise.*** Our management team has extensive cloud, network and security domain expertise with a proven track record of growing and running businesses at scale. Our president, chief executive officer and chairman of our board of directors, Jay Chaudhry, is a security industry pioneer and an accomplished entrepreneur, having founded and built several companies. In addition, we have invested significantly to establish ThreatLabZ, which provides deep insight and leading-edge research into emerging security threats. We believe our ThreatLabZ team, coupled with their access to the broad data set from our global cloud operations, differentiates us from our competitors because we can leverage an aggregate view of the almost 40 billion internet requests, per day during our peak period over the past six months, to identify new and emerging threats as they occur and deliver protection faster.

Market Opportunity

As applications are moving to the cloud, the corporate network is transforming from a "hub-and-spoke" to a direct-to-cloud architecture. This in turn is driving security transformation from a 30-year-old "castle-and-moat" approach to an approach that securely connects the right users to the right application regardless of the network. This creates a large opportunity to deliver cloud security services that replace traditional on-premises network

security appliances and software. Our solution provides functionality that obviates the need for outbound and inbound internet gateways. The outbound internet gateway often includes URL filtering, anti-virus, content filtering, branch firewalls, advanced threat protection with sandboxing and data loss prevention appliances. Inbound gateways typically include global load balancers, DDoS prevention, external firewalls, VPN concentrators and internal firewalls appliances. Based on our analysis using IDC data, $17.7 billion annually is spent on disparate security appliances to perform the functions we offer in our platform.

Beyond these immediate market opportunities, we expect our total addressable market to increase substantially as a result of higher per user per year monetization rates as we deliver additional services. We also have the opportunity to expand our platform to deliver needed services for smart and connected IoT devices.

In addition to providing better security and user experience, we offer our customers the opportunity to reduce their overall networking complexity and cost. As organizations rearchitect their traditional “hub-and-spoke” corporate networks to adopt our direct-to-cloud architecture, the reduced need for supporting networking infrastructure and bandwidth such as MPLS, edge routers, ATM switches, ethernet edge routers and WAN optimization increases the return on investment of our solution.

Growth Strategies

The growing use of the internet and the increasing adoption of the cloud are driving network and application transformation. As a provider of a fully integrated, multi-tenant cloud security solution, we enable our customers to accelerate this secure transformation to the cloud and believe we are uniquely positioned to maximize value as they undertake these transitions. Key elements of our strategy include:

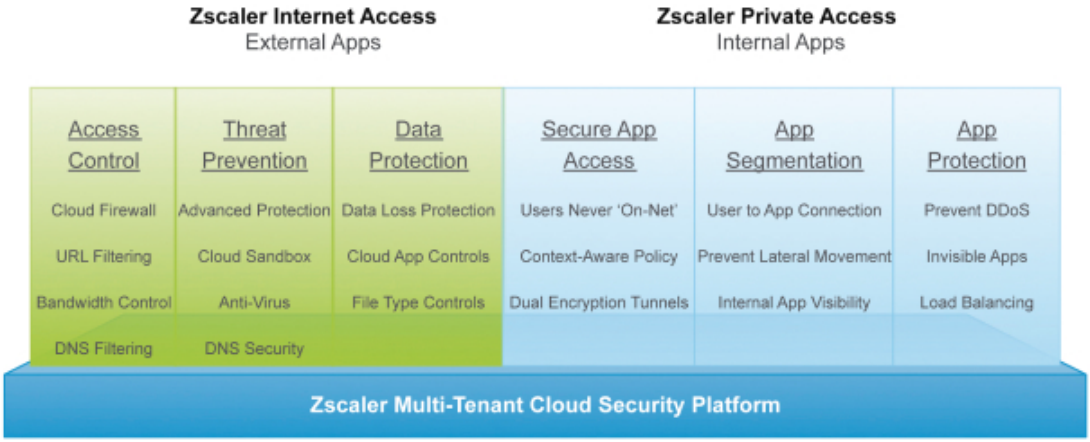
- ***Continue to win new customers.*** We believe we have a significant opportunity to expand our customer base, both in the United States and internationally. As of July 31, 2017, we had more than 2,800 customers, including more than 200 of the Forbes Global 2000. We have invested significantly in our sales and marketing organization to execute against this opportunity. For example, we identify organizations moving to mission critical SaaS applications like Microsoft Office 365, which often triggers the purchases of new security infrastructure, and offer our solution to secure these new environments. Our recent roll-out of our ZPA solution expands our portfolio of solutions, creates new use cases and makes us appealing to new IT buying centers. Based on early data points from our initial ZPA wins, we believe we will accelerate customer acquisition as a result of a shorter sales cycle.
- ***Expand in existing customers.*** We plan to leverage a land-and-expand approach with our existing customers to add users to subscriptions, upgrade to subscription bundles that contain more functionality or purchase additional a la carte services. As of January 31, 2018, our dollar based net retention rate was 122% for the trailing twelve months. We primarily offer three main bundles for Zscaler Internet Access: Professional, Business and Secure Transformation. We also introduced our ZPA solution in 2016 and have begun to capitalize on the opportunity to sell our ZPA solution into our ZIA customer base. We primarily offer three main suites for Zscaler Private Access: Professional, Business and Enterprise. A customer who initially purchases our ZIA Professional Bundle provides us an opportunity for future expansions. The list price of our ZIA Business Bundle is approximately 1.6 times the list price of ZIA Professional Bundle, and the list price of our ZIA Secure Transformation Bundle is approximately 2.9 times the list price of ZIA Professional Bundle. In addition, the aggregate list price of our full-featured ZIA bundle and ZPA suite, the ZIA Secure Transformation Bundle and ZPA Enterprise Suite, is more than six times the list price of a standalone ZIA Professional Bundle.
- ***Leverage channel partners to participate in cloud transformation initiatives.*** We have invested in establishing long-standing relationships with global telecommunications services provider and system integrator partners, such as BT Telecommunications plc, Deutsche Telekom AG, Orange S.A. and Verizon Communications Inc. In addition, we are expanding our relationships with system integrators, including, Deloitte LLP and HCL America, Inc. As a result of this investment, multiple of these

partners include our offerings in their portfolios, introduce our solutions to C-level decision makers and incorporate our cloud platform in their high-profile strategic projects. We expect to pursue additional relationships with global system integrators and regional telecommunications service providers. We will continue to broaden and invest in our channel partner relationships to increase the awareness and availability of our solutions.

- ***Expansion and innovation of services.*** We invest in research and development to continue to innovate. In addition to improving and refining our existing offerings, our research and development team is focused on developing new and innovative solutions to today's evolving and increasingly sophisticated cybersecurity threats. ThreatLabZ, our team of security experts and threat researchers, continually analyzes the global threatscape to generate ideas for development and work diligently to combat threats across our cloud platform. We continue to develop new and differentiated solutions to add to our existing portfolio of solutions.
- ***Expansion into additional market segments.*** We are targeting the expansion of our immediate addressable market, emphasizing U.S. federal government agencies in the near- to medium-term as well as additional international markets such as Japan and the Asia Pacific region. We are in the process of becoming FedRAMP certified to serve the U.S. government as a Cloud Service Partner, which we believe will provide new revenue in a significantly underpenetrated market. In the long term, we believe we also have a large opportunity to expand our market reach among small and medium size businesses.
- ***Extend our platform to third-party developers.*** We intend to open our cloud security platform to third-party developers and vendors to offer new functionality and solutions that may target specific use cases, verticals and niche requirements. We expect that in the long-term, this strategy will provide new avenues for growth, further solidifying our leadership in cloud security.

Our Solutions and Platform

Our purpose-built cloud security platform offers two principal services built natively in the cloud.



Zscaler Internet Access

Our ZIA solution was designed to securely connect users to externally managed applications, including SaaS applications and internet destinations regardless of device, location or network. Our ZIA solution provides inline inspection and firewall access controls across all ports and protocols to protect organizations and users from external threats as well as protecting an organization's data from leaking out. Policies follow the user to provide identical protection on any device, regardless of location; any policy changes are enforced for users

worldwide. Our cloud security platform provides full inline content inspection of webpages to assess and correlate the risk of webpage objects, continuously discovering and blocking sophisticated threats.

Our ZIA solution includes broad functionality, which we categorize by three areas:

Access Control

The access control functionality of our ZIA solution enforces access and usage policies to externally managed applications, including SaaS application and internet destinations. This provides functionality that has traditionally been provided by stand-alone point products.

- **Cloud Firewall:** Our cloud firewall was designed to protect users by inspecting internet traffic on all ports and protocols, and it offers user level policies, application identification with deep packet inspection and intrusion prevention.
- **URL Filtering:** Our URL filtering capability enables customers to enforce acceptable usage policies and protects organizations from users visiting unauthorized websites or illegally downloading content that can increase liability and impact their brand.
- **Bandwidth Control:** Our bandwidth control and traffic shaping capabilities ensure that business critical applications are prioritized over non-business critical applications, improving productivity and user experience. By enforcing quality of service in the cloud, our platform can optimize "last-mile" utilization of a customer's network, providing significant value.
- **DNS Filtering:** Our DNS filtering solution provides a local DNS resolver and enforces acceptable use policies.

Threat Prevention

Our second area of functionality, threat prevention, protects users from threats using a range of approaches and techniques. Our robust threat prevention capabilities provide multiple layers of protection to prevent cyberattacks. We provide functionality that has been traditionally been offered by disparate, stand-alone products.

- **Advanced Threat Protection:** Our advanced protection solution delivers real-time protection from malicious internet content like browser exploits, scripts, zero-pixel iFrames, malware and botnet callbacks. Over 120,000 unique security updates are performed every day to the Zscaler cloud to keep users protected. Once we detect a new threat to a user, we block it for all users. We call this the "cloud security effect." Advanced threat protection features include:
  - Botnet Protection: protection against botnets that could be secretly installed on user devices to perform malicious tasks at the instruction of command and control servers.
  - Malicious Active Content Protection: protection against websites that attempt to download dangerous content to a user's web browser.
  - Fraud Protection: protection against phishing sites that mimic legitimate sites, such as banking and ecommerce sites, in order to steal confidential information.
  - Cross-Site Scripting (XSS) Protection: protection against XSS, in which malicious code injected into websites is downloaded to a user's web browser from compromised web servers.
  - Suspicious Destinations Protection: block requests to any country based on ISO3166 mapping of countries to their IP address space. Websites are blocked based on the location of the web server.
  - Unauthorized Communication Protection: protection against communications like Internet Relay Chat (IRC) tunneling applications and "anonymizer" sites that are used to bypass firewall access and proxy security controls.

- P2P Anonymizer Protection: block anonymizing applications such as Tor, an application that enables users to bypass policies controlling what websites they may visit or internet resources they may access.

- **Cloud Sandbox:** Our cloud sandbox enables enterprises to block zero-day exploits and advanced persistent threats, or APTs, by analyzing unknown files for malicious behavior, and it can scale to every user regardless of location. Our sandbox was designed and built to be multi-tenant and allows customers to determine which traffic should be sent to the cloud sandbox. As an integrated cloud security platform, customers can set policies by users and destinations to prevent patient-zero scenarios by holding, detonating and analyzing suspicious files in the sandbox before being sent to the user.
- **Anti-Virus:** Our anti-virus technology uses a signature database of files and objects on the internet known to be unsafe and runs traffic through multiple anti-virus engines in a single pass.
- **DNS Security:** Our DNS security blocks access to known malicious sites, including command and control sites, and routes suspicious traffic to our threat detection engines for content inspection.

Data Protection

Our third area of functionality, data protection, prevents unauthorized sharing or exfiltration of confidential information, reducing our customers' business and compliance risk.

- **Data Loss Protection:** Our data loss protection enables enterprises to use standard or custom dictionaries using efficient pattern-matching algorithms to easily scale to all users and traffic, including compressed or encrypted traffic, to prevent, monitor or block unauthorized or sensitive data exfiltration.
- **Cloud Application Control:** Our cloud application control allows enterprises to discover and granularly control user access to known and unknown cloud applications. By doing SSL interception at scale, we provide malware protection, data loss prevention and similar Cloud Access Security Broker, or CASB, functions that can be performed inline, for specific sanctioned applications. Business policies can be defined with granular access control for specified cloud applications, such as the ability to upload or download files or post comments or videos based on different user or group identity. We partner with specific CASB vendors to extend their policy controls and visibility of out-of-band cloud applications.
- **File Type Controls:** Our file type control allows policies to be defined that control which file types are allowed to be downloaded and uploaded based on application, user, location and destination.

Zscaler Private Access

Our ZPA solution was designed to provide secure access to internally managed applications, either hosted internally in data centers, private or public clouds. Our ZPA solution was designed around four key tenants that fundamentally change the way users access internal applications:

- connect users to applications without bringing users on the network;
- never expose applications to the internet;
- segment access to applications without relying on traditional approach of network segmentation; and
- provide remote access over the internet without VPNs.

Our ZPA solution enforces a global policy engine that manages access to internally managed applications regardless of location. If access is granted to a user, our ZPA solution connects the user's device only to the authorized application without exposing the identity or location of the application. Hence applications are not exposed to the internet, further limiting threat exposure. This results in reduced cost and complexity, while offering better security and an improved user experience.

ZPA functionality falls in three major areas:

- **Secure Application Access:** Our ZPA solution delivers seamless connectivity to internally managed applications and assets whether they are in the cloud, enterprise data center, or both. Administrators can set global policies from a single console, enabling policy-driven access that is agnostic to the network the users are on. By creating seamless access to applications regardless of a user's network, our ZPA solution subsumes the need for traditional remote access VPNs, SSL VPNs, reverse proxies and other similar products.
- **Application Segmentation:** This fundamentally new architecture provides capabilities that enable user and application level segmentation, a vast improvement over traditional network segmentation. As each user-to-application connection is segmented with microtunnels, each of which is a temporary session between a specific user and a specific application, lateral movement across the network is prevented which significantly reduces security risk. Similar to CASB application discovery reports for internet applications, our ZPA solution provides granular discovery of internally managed applications to aid the creation of segmentation policies. Because our ZPA solution sits on the application layer and is name or domain-based, organizations can quickly and easily identify the internally-managed applications that are running and then easily provision appropriate policies. Microtunnels subsume the need for internal firewalls, which are required for protecting against lateral malware propagation from machine to machine, and traditional network access control functionality since users are granted access only to applications for which they have permission and are not granted full access to the network.
- **Application Protection:** Our ZPA solution initiates and connects together outbound-only links between authenticated users and internally managed applications using microtunnels. Access is provided to users without bringing them onto the corporate network and without exposing applications to the internet. Internally managed applications are not discoverable or identifiable. With no inbound connections and no public IP addresses, there is no inbound attack surface and therefore no threat of DDoS attacks. With our innovative approach, we subsume the need for a next-generation firewall. Similarly, by completely removing the need for an exposed IP address or DNS to the internet, we subsume the functionality of DDoS migration systems.

The primary use cases for our ZPA solution includes:

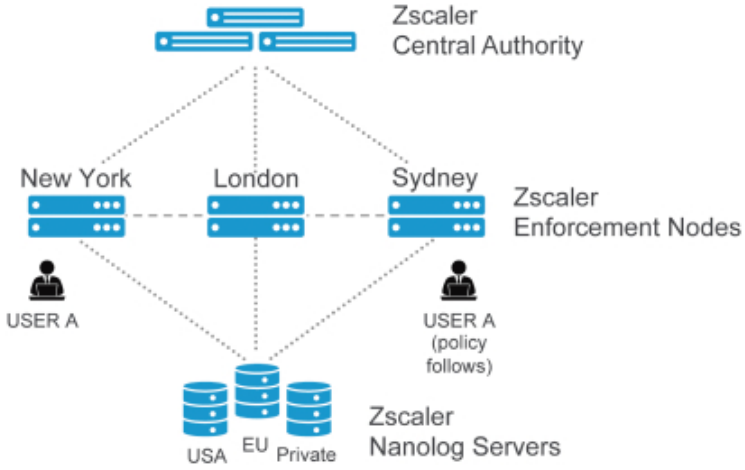
- VPN replacement;
- providing non-employees with secure access to internal applications;
- direct-to-cloud access to internally managed applications hosted in public cloud environments, such as Microsoft Azure, Amazon Web Services and Google Cloud Platform; and
- access to applications following a merger or acquisition by providing named users with access to named applications, without the need to merge networks.

Our Technology and Architecture

Zscaler is driven by technology and innovation. We built a highly scalable, multi-tenant, globally distributed cloud capable of providing inline inspection that offers a full range of enterprise network security services. We designed a purpose-built three-tier architecture starting with our core operating system and adding layers of security and networking innovations over time. Our cloud platform is protected by more than 100 issued and pending patents.

Proprietary multi-tenant global cloud architecture: We developed a highly scalable and fast, proprietary security cloud that provides policy-based access to internet, SaaS and internally managed applications. Our cloud is distributed across more than 100 data centers on five continents. The platform is designed to be resilient, redundant and high-performing. Over the past six months, our platform processed peak daily volume of almost 40 billion requests from users across 185 countries.

Our platform is built as software modules that run on standard x86 platforms without any dependency on custom hardware. The platform modules are split into the control plane (Zscaler Central Authority), the enforcement plane (Zscaler Enforcement Nodes) and the logging and statistics plane (Zscaler Nanolog Servers) as described below:

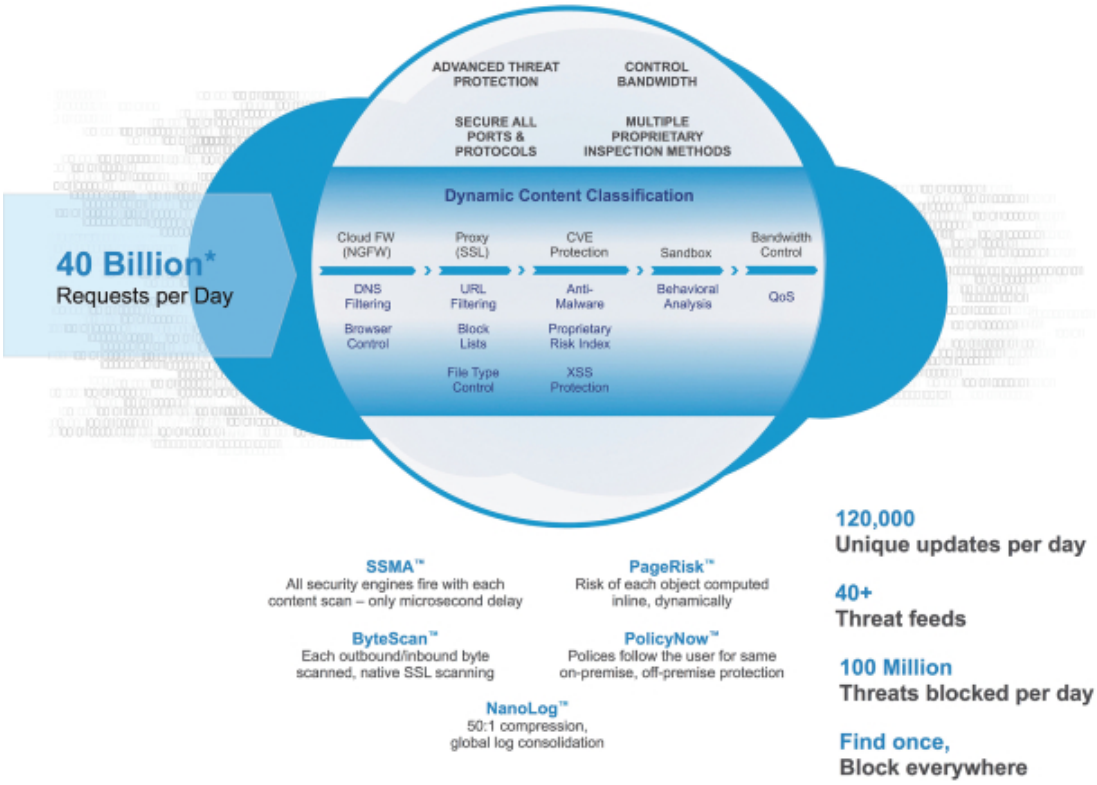


Zscaler Proprietary Multi-Tenant Global Cloud Architecture

- **Zscaler Central Authority:** The Zscaler Central Authority monitors our entire security cloud and provides a central location for software and database updates, policy and configuration settings and threat intelligence. The collection of Zscaler Central Authority instances together act like the brain of the cloud, and they are geographically distributed for redundancy and performance.
- **Zscaler Enforcement Nodes:** Customer traffic gets directed to the nearest Zscaler Enforcement Node, where security, management and compliance policies served by the Zscaler Central Authority are enforced. The Zscaler Enforcement Node also incorporates our differentiated authentication and policy distribution mechanism that enables any user to connect to any Zscaler Enforcement Node at any time to ensure full policy enforcement. The Zscaler Enforcement Node utilizes a full proxy architecture and is built to ensure data is not written to disk to maintain the highest level of data security. Data is scanned in RAM only and then erased. Logs are continuously created in memory and forwarded to our logging module.
- **Zscaler Nanolog Servers:** Our Nanolog technology is built into the Zscaler Enforcement Node to perform lossless compression of logs, enabling our platform to collect over 30 terabytes of unique raw log data every day. Logs are transmitted to our Nanolog Servers over secure connections and multicast to multiple servers for redundancy. Our dashboards provide visibility into our customer's traffic to enable troubleshooting, policy changes and other administrative actions. Our analytics capabilities allow customers to interactively mine billions of transaction logs to generate reports that provide insight on network utilization and traffic. We do not rely on batch reporting; we continuously update our dashboards and reporting and can stream logs to a third-party Security Information and Event Management, or SIEM, service as they arrive. Regardless of where users are located, customers can choose to have logs stored in the United States, the European Union or Switzerland.

Patented core technologies: Our core technologies, protected by more than 100 issued and pending patents, include several innovative and differentiated approaches to difficult technical challenges facing any platform operating at our scale.

Full Inline Inspection and Correlation of Threat Indicators



* We process almost 40 billion requests per day during peak periods over the past six months.

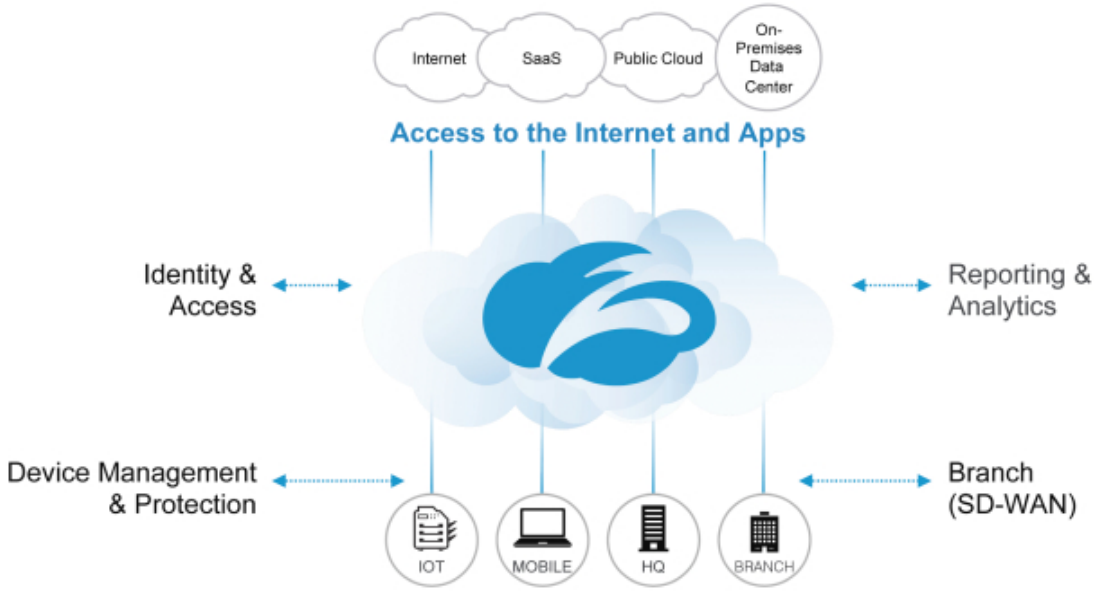
Single-Pass, Inline Multi-Action Architecture for Better Security

- **ByteScan™ Technology:** ByteScan provides fast content scanning for detection of malicious sites and content, zero-day attacks and data loss prevention. Our proprietary network stack enables interception of SSL traffic and can be integrated with a customer's public key infrastructure service, which manages encryption policies. ByteScan does not rely on traditional signature analysis.
- **SSMA™ Technology:** Our Single-Scan, Multi-Action, or SSMA, technology allows inspection engines to scan content in a single pass. This approach is starkly different from the chained model of physical or virtual appliances, whereby each security service independently processes packets, adding incremental latency at each hop. Due to our SSMA technology, our platform is able to apply policy based on a variety of security engines with minimal latency. SSMA also enables our solution to be an extensible platform to add new technologies as security intelligence and research advances.
- **PageRisk™ Technology:** Beyond identifying known or zero-day threats, our PageRisk technology generates a Page Risk Index, which is a dynamically computed risk score based on potential indicators of compromise on objects in a file or a webpage. We dynamically compute the risk of webpage objects inline, checking for threats such as injected scripts, vulnerable ActiveX objects and zero-pixel iFrames, among others, as well as domain information. This ensures that unknown malware on well-reputed sites can be identified before harming users.

- **PolicyNow™ Technology:** PolicyNow technology ensures that policies follow the user. Any user of any organization can connect to a node in any geography. This provides protection regardless of the user location and also ensures global resiliency for our cloud. Even if multiple data centers lose power or become unavailable, users can connect to the next closest node, and our platform can continue to provide uninterrupted services.

Central point in dynamic cloud ecosystem

Our platform is a critical integration point positioned in the data path providing secure access to the internet, cloud and internal applications. We complement and interoperate with key technology vendors across major market segments, including SD-WAN, identity and access management, device and endpoint management, as well as SIEM for reporting and analytics. Many of these vendors, like us, were developed in the cloud and together provide a foundation for a modern access and security architecture.



Zscaler is a Critical Integration Partner Positioned in the Data Path

Our Customers

We sell to enterprises of all sizes. As of July 31, 2017, we had over 2,800 customers, including over 200 of the Forbes Global 2000. Many of our customers include major global enterprises that send virtually all of their internet traffic through our cloud security platform. Our customers operate in a variety of industries, including airlines and transportation, conglomerates consumer goods and retail, financial services, health care, manufacturing, media and communications, public sector and education, technology and telecommunications services. Our customers include all of the top three conglomerates companies, five of the top seven beverage companies, three of the top four oil and gas operations companies, two of the top four apparel and accessories companies, two of the top three specialized chemicals companies and six of the top 12 food retail companies, as categorized by Forbes Inc. in their 2017 ranking of the Global 2000. Approximately 57% of our revenue in fiscal 2015, 56% of our revenue in fiscal 2016 and 54% of our revenue in fiscal 2017 was from customers outside the United States. No customer contributed more than 10% of revenue in fiscal 2015, fiscal 2016 or fiscal 2017.

Customer Case Studies

The following case studies are examples of how some of our customers have selected, deployed and benefited from our solutions.

Siemens

C-suite led digital transformation initiative

Siemens, one of the largest global industrial manufacturing companies and a Zscaler customer since our 2015 fiscal year, is pursuing a digital transformation initiative led by Siemens IT c-suite. The underlying assumption driving the transformation initiative is that the internet will be the next Siemens corporate network, as more applications run in the internet than live on their private network and more traffic goes to the Internet than stays on their private network.

Situation

- High-performance access required for an increasing number of SaaS applications and workloads in Amazon Web Services, Microsoft Azure or other public/private cloud environments
- Siemens needed to deliver secure access and apply policy to applications for about 350,000 internal and external employees globally.
- The company needed to ensure, all traffic flowing between users and applications as well as from cloud to cloud was properly secured, managed, and governed

Benefits of the Zscaler solution

- Internet traffic for about 350,000 Siemens internal and external employees is routed through Zscaler for security and performance optimization
- By going direct to cloud instead of backhauling traffic, Siemens expects to drive down costs by almost 60 percent overall
- Siemens gains much higher resiliency with Zscaler by using their state-of-the-art cloud security gateways

Zscaler is playing a key role in Siemens digital transformation initiative, by enabling the secure migration from an on-premises, appliance-based security infrastructure towards cloud-based internet access. In the future, Siemens will explore options to also secure IoT to cloud traffic by using Zscaler.

Kelly Services

Chief Information Officer-led cloud-first initiative

Kelly Services, a global leader in providing workforce solutions and a Zscaler customer since our 2012 fiscal year, realized that as it embarked on a data center transformation initiative by moving applications to the cloud, it would require a network transformation from a legacy hub-and-spoke network to a modern direct-to-cloud architecture. This network transformation in turn drove the company’s cloud transformation project.

Situation

- Kelly Services was standardizing on Office 365, but realized the service would put a significant strain on its existing hub-and-spoke network and drive up network infrastructure costs
- The company determined that backhauling traffic to a central data center for security and deploying security appliances in all locations would be too expensive
- Each location had disparate network and security products, creating an inability to provide a company-wide security posture

Benefits of the Zscaler solution

- Routed traffic directly to the internet in hundreds of regional offices to provide fast and secure access to Office 365, cloud applications and internet destinations
- Reduced expenses for MPLS services by roughly 60 percent and avoided spending $2.7 million on security appliances to enable direct connections to the internet from regional offices
- Provided uniform protection, including SSL inspection, to guard against cyberattacks and delivered a company-wide security posture

Kelly Services first deployed Zscaler cloud proxy security for over 500 locations around the world and expanded into a full cloud transformation with Zscaler Internet Access and Zscaler Private Access.

AutoNation

Chief Information Security Officer-led network transformation initiative

AutoNation, America's largest automotive retailer and a Zscaler customer since our 2015 fiscal year, initially sought to deploy firewalls in more than 360 retail locations, but its engagement with Zscaler developed into a network transformation initiative with Zscaler Internet Access.

As the company adopted more cloud services, AutoNation found that most of its network traffic was internet bound. This shift in traffic, along with the rise in internet-borne threats, led the company to transform its network and security architecture.

Situation

- AutoNation needed to secure internet traffic for over 26,000 users and internet-connected diagnostic devices in more than 360 retail locations
- With limited IT resources, deploying firewalls or Unified Threat Management devices in each store would be too costly, as would routing all internet traffic through the company's centralized data center
- Sought to deploy Office 365 and establish an e-commerce presence using a public cloud vendor, like Microsoft Azure or Amazon Web Services, which would need a fast and secure user experience

Benefits of the Zscaler Solution

- Routed traffic directly to the internet in more than 360 locations for fast and secure access to externally and internally managed cloud applications, while eliminating the cost of deploying and managing security appliances
- Immediately realized security benefits with the ability to block command-and-control traffic that was not being caught by the company's existing antivirus solution
- Simplified IT operations, eliminating the day-to-day management, patching, change control, and lifecycle management of security appliances

Today, AutoNation forwards its internet-bound traffic to the Zscaler cloud and, since its initial deployment of ZIA, has added new services such as Zscaler Cloud Sandbox. The visibility and control offered by Zscaler allows the company to make smart policy decisions that improve user experience, while enabling AutoNation to manage its risk environment.

Sales

Although we have a channel sales model, we use a joint sales approach in which our sales force develops relationships directly with our customers, and together with our channel account teams, works with our channel

partners on account penetration, account coordination, sales and overall market development. Our customer care and success teams maintain high-touch relationships with our customers to deploy and manage our cloud platform, identify, analyze and resolve performance issues and respond to security threats. We believe customer service touchpoints are opportunities to further develop our relationship with our customers and potentially generate incremental revenue through the addition of new users and services.

Our channel partners consist of global telecommunications service provider, system integrator and value-added reseller partners, and we leverage their relationships to expand our reach, improve procurement and accelerate customer fulfillment. Representative channel partners include:

- Telecommunications Service Providers: BT Telecommunications plc, Deutsche Telekom AG, Orange S.A. and Verizon Communications Inc.
- System Integrators: Deloitte LLP and HCL America, Inc.
- Value-Added Resellers: CDW Logistics, Inc. and SHI International Corp.

Sales through our top five channel partners and their affiliates, in aggregate, represented 40%, 46% and 47% of our revenue for fiscal 2015, 2016 and 2017, respectively, and 48% and 42% of our revenue for the six months ended January 31, 2017 and 2018, respectively. We enter into agreements with our channel partners in the ordinary course of business. The contracts typically have a one-year term and renew automatically, subject to cancellation by either party upon 90 days' notice. These agreements contain standard commercial terms and conditions, including payment terms, billing frequency, warranties and indemnification. Our channel partners generally place purchase orders with us after receiving orders from customers. We generally maintain privity of contract with customers through end user subscription agreements.

We expect to continue investing in our channel partners as we provide them with education, training and programs, including supporting their independent sales of our solutions. We believe that such investment, and investments in our sales force, will lead to significant expansion in our customer base, which will materially impact our business and results of operations.

Marketing

Our marketing strategy is focused on platform and brand awareness, which drives our opportunity pipeline and customer demand. This strategy is account-based, enabling us to pursue targeted marketing activities across both digital and non-digital channels. We anticipate increasing our marketing team headcount and are investing in programs designed to elevate our brand in the market and engage new enterprise accounts. We also participate in a number of cloud and security industry events. In addition, we have a deeply integrated ecosystem of channel partners, with whom we engage in joint marketing activities.

Data Center Operations

We operate our services across more than 100 data centers around the world, which are built to be highly resilient, have multiple levels of redundancy and provide failover to other data centers in our network. Our data centers are co-located within top-tier internet interconnection hubs that have direct connectivity, known as peering, to major telecommunication service providers, SaaS providers, public cloud providers, internet content providers and popular internet destinations. A number of our data centers are also located with our service provider partners. Our platform has received ISO 27001 certification since 2014.

Research and Development

Our research and development organization is responsible for the design, architecture, operation and quality of our cloud platform. In addition to improving on our features, functionality and scalability, this organization

works closely with our cloud operations team to ensure that our platform is available, reliable and stable. ThreatLabZ, our internal team of security experts, researchers and network engineers, analyzes the global threat landscape, works to eliminate threats across our cloud platform and reports on emerging security issues.

Research and development expense was $15.0 million, $20.9 million and $33.6 million for fiscal 2015, 2016 and 2017, respectively, and $17.2 million and $18.0 million for the six months ended January 31, 2017 and 2018, respectively. Our research and development leadership team is based in San Jose, California, and we also maintain research and development centers in India and Canada. We plan to continue to dedicate significant resources to research and development.

Competition

The market for security solutions is defined by changing technologies, an evolving threat landscape and complex enterprise needs. Our competitors and potential competitors include legacy on-premises appliance vendors across a number of categories:

- independent IT security vendors, such as Check Point Software Technologies Ltd., Fortinet, Inc., Palo Alto Networks, Inc. and Symantec Corporation, which offer a broad mix of network and endpoint security products;
- large networking vendors, such as Cisco Systems, Inc. and Juniper Networks, Inc., which offer security appliances and incorporate security capabilities in their networking products;
- companies such as FireEye, Inc., Forcepoint Inc. (previously, Websense, Inc.), F5 Networks, Inc. and Pulse Secure, LLC with point solutions that compete with some of the features of our cloud platform, such as proxy, firewall, sandboxing and advanced threat protection, data loss prevention, encryption, load balancing and VPN; and
- other providers of IT security services that offer, or may leverage related technologies to introduce, products that compete with or are alternatives to our cloud platform.

The principal competitive factors in the markets in which we operate include:

- delivering security from the cloud regardless of location of the user;
- platform features, effectiveness and extensibility;
- platform reliability, availability and scalability;
- rapid development and delivery of new capabilities and services;
- ability to integrate with other participants in the security and networking ecosystem;
- price, total cost of ownership and network cost savings;
- brand awareness, reputation and trust in the provider’s services;
- strength of sales, marketing and channel partner relationships; and
- quality of customer support.

We believe we are positioned favorably against our competitors based on these factors. Our cloud platform integrates many of the point products offered by our competitors and potential competitors, which is a key differentiator. However, many of our competitors have substantially greater financial, technical and other resources, greater brand recognition, larger sales forces and marketing budgets, broader distribution networks, more diverse product and services offerings and larger and more mature intellectual property portfolios. They may be able to leverage these resources to gain business in a manner that discourages users from purchasing our services, including through selling at zero or negative margins, offering concessions, product bundling or maintaining closed technology platforms. Further, many organizations have invested substantial personnel and

financial resources to design and operate their appliance-based network security architecture, and may not be willing or ready to abandon those historical investments. As our market grows and rapidly changes, we expect it will continue to attract new companies, including smaller emerging companies, which could introduce new products and services. In addition, we may expand into new markets and encounter additional competitors in such markets.

Intellectual Property

Our success depends in part upon our ability to protect and use our core technology and intellectual property rights. We rely on a combination of patents, copyrights, trademarks, trade secret laws, contractual provisions and confidentiality procedures to protect our intellectual property rights. As of January 31, 2018, we had over 100 total issued and pending patents, including in excess of 60 issued patents, in the United States and other countries. Our issued patents expire between 2028 and 2035 and cover various aspects of our cloud platform. In addition, we have registered "Zscaler" as a trademark in the United States and other jurisdictions, and we have filed other trademark applications in the United States. We are also the registered holder of a variety of domestic and international domain names that include "Zscaler" and similar variations. In addition to the protection provided by our intellectual property rights, we enter into confidentiality and invention assignment or similar agreements with our employees, consultants and contractors. We further control the use of our proprietary technology and intellectual property rights through provisions in our subscription and license agreements. Despite our efforts to protect our trade secrets and proprietary rights through intellectual property rights, licenses and confidentiality agreements, unauthorized parties may still copy or otherwise obtain and use our software and technology. In addition to our internally developed technology, we also license software, including open source software, from third parties that we integrate into or bundle with our cloud platform.

Our industry is characterized by the existence of a large number of patents and frequent claims and related litigation based on allegations of patent infringement or other violations of intellectual property rights. We believe that competitors will try to develop products and services that are similar to ours and that may infringe our intellectual property rights. Our competitors or other third-parties may also claim that our platform infringes their intellectual property rights. In particular, leading companies in our industry have extensive patent portfolios. From time to time, third parties, including certain of these leading companies and non-practicing entities, have in the past and may in the future assert claims of infringement, misappropriation and other violations of intellectual property rights against us or our customers or channel partners, with whom our license or other agreements may obligate us to indemnify against these claims. Successful claims of infringement by a third-party could prevent us from offering certain services or features, require us to develop alternate, non-infringing technology, which could require significant time and during which we could be unable to continue to offer our affected subscriptions or services, require us to obtain a license, which may not be available on reasonable terms or at all, or force us to pay substantial damages, royalties or other fees. As we face increasing competition and gain an increasingly higher profile, including as a result of becoming a public company, the possibility of intellectual property rights claims against us grows. We cannot assure you that we do not currently infringe, or that we will not in the future infringe, upon any third-party patents or other proprietary rights. See "Risk Factors—Claims by others that we infringe their proprietary technology or other rights, or other lawsuits asserted against us, could result in significant costs and substantially harm our business, financial condition, results of operations and prospects" for additional information.

Facilities

Our corporate headquarters are located in San Jose, California, where we currently lease approximately 56,000 square feet of space under lease agreements that expire in 2021. We also maintain offices in Atlanta, Georgia; Austin, Texas; New York, New York; Raleigh, North Carolina; Reno, Nevada; and Reston, Virginia, as well as multiple locations internationally, including in Australia, Canada, France, Germany, India, Japan, the Netherlands, Singapore and the United Kingdom. We lease all of our facilities and do not own any real property. We expect to add facilities as we grow our employee base and expand geographically. We believe that our

facilities are adequate to meet our needs for the immediate future and that, should it be needed, suitable additional space will be available to accommodate expansion of our operations.

Employees

We had approximately 950 employees worldwide as of January 31, 2018. None of our employees in the United States is represented by a labor organization or is a party to any collective bargaining arrangement. In certain countries in which we operate, we are subject to, and comply with, local labor law requirements which may automatically make our employees subject to industry-wide collective bargaining agreements. We may be required to comply with the terms of these collective bargaining agreements.

Legal Proceedings

Symantec

We are currently involved in legal proceedings with Symantec Corporation, or Symantec. On December 12, 2016, Symantec filed a complaint, which we refer to as Symantec Case 1, in the U.S. District Court for the District of Delaware alleging that "Zscaler's cloud security platform" infringes U.S. Patent Nos. 6,279,113, 7,203,959, or the '959 patent, 7,246,227, or the '227 patent, 7,392,543, 7,735,116, or the '116 patent, 8,181,036 and 8,661,498. The complaint seeks compensatory damages, an injunction, enhanced damages and attorney fees. We believe our technology does not infringe Symantec's asserted patents and that Symantec's patents are invalid. We have filed a motion to dismiss the '959, '227 and certain claims of the '116 patents as invalid based on unpatentable subject matter. On August 2, 2017, the court granted our motion to transfer Symantec Case 1 from the District of Delaware to the Northern District of California. The Markman claim construction hearing for Symantec Case 1 is scheduled for June 19, 2018.

On April 18, 2017, Symantec filed a second complaint, which we refer to as Symantec Case 2, in the U.S. District Court for the District of Delaware alleging that "Zscaler's cloud security platform" infringes U.S. Patent Nos. 6,285,658, or the '658 patent, 7,360,249, 7,587,488, or the '488 patent, 8,316,429, or the '429 patent, 8,316,446, or the '446 patent, 8,402,540 and 9,525,696. The complaint seeks compensatory damages, an injunction, enhanced damages and attorney fees.

On June 22, 2017, Symantec filed a notice of voluntary dismissal of its complaint in Symantec Case 2 along with a new complaint alleging infringement of the same patents. In the new complaint in Symantec Case 2, Symantec added Symantec Limited as a plaintiff and also alleged willful infringement of the '429 and '446 patents. We believe our technology does not infringe Symantec's asserted patents and that Symantec's patents are invalid. We have filed a motion to dismiss the '658, '429, '446 and '488 patents as invalid based on unpatentable subject matter. On July 31, 2017, the court granted our motion to transfer Symantec Case 2 from the District of Delaware to the Northern District of California. The Markman claim construction hearing for Symantec Case 2 is scheduled for March 19, 2019.

We have also received letters from Symantec alleging that our "cloud security platform" infringes U.S. Patent Nos. 7,031,327, 7,496,661, 7,543,036 and 7,624,110. We believe that our technology does not infringe Symantec's asserted patents and that these patents are invalid.

Should Symantec prevail with its infringement allegations, we could be required to pay substantial damages for past and future sales and/or licensing of our services, enjoined from making, using, selling or otherwise disposing of our services if a license or other right to continue selling our services is not made available to us, and required to pay substantial ongoing royalties and comply with unfavorable terms if such a license is made available to us. Any of these outcomes could result in a material adverse effect on our business. Even if we were to prevail, this litigation could be costly and time-consuming, divert the attention of our management and key personnel from our business operations, deter distributors from selling or licensing our services, and dissuade potential customers from purchasing our services, which would also materially harm our business. The expense

of litigation and the timing of this expense from period to period are difficult to estimate, subject to change and could adversely affect our results of operations. In addition, any public announcements of the results of any proceedings in Symantec Case 1 or Case 2 could be negatively perceived by industry or financial analysts and investors, and could cause our stock price to experience volatility or decline.

We have not recorded a liability with respect to Symantec Case 1 or Case 2 based on our determination that a loss in either case is not probable under the applicable accounting standards.

We are vigorously defending Symantec Case 1 and Case 2. Given the early stage in the litigation, we are unable to predict the likelihood of success of Symantec's infringement claims.

Finjan

We are currently involved in legal proceedings with Finjan. On December 5, 2017, Finjan filed a complaint, in the U.S. District Court for the Northern District of California alleging that Zscaler's "Internet Access Bundles," "Private Access Bundle," "Zscaler Enforcement Node," "Secure Web Gateway," "Cloud Firewall," "Cloud Sandbox" and "Cloud Architecture products and services" infringe U.S. Patent Nos. 6,804,780, 7,647,633, 8,677,494 and 7,975,305. The complaint seeks compensatory damages, an injunction, enhanced damages and attorney fees.

Should Finjan prevail with its infringement allegations, we could be required to pay substantial damages for past and future sales and/or licensing of our services, enjoined from making, using, selling or otherwise disposing of our services if a license or other right to continue selling our services is not made available to us, and required to pay substantial ongoing royalties and comply with unfavorable terms if such a license is made available to us. Any of these outcomes could result in a material adverse effect on our business. Even if we were to prevail, this litigation could be costly and time-consuming, divert the attention of our management and key personnel from our business operations, deter distributors from selling or licensing our services, and dissuade potential customers from purchasing our services, which would also materially harm our business. The expense of litigation and the timing of this expense from period to period are difficult to estimate, subject to change and could adversely affect our results of operations. In addition, any public announcements of the results of any proceedings in this matter could be negatively perceived by industry or financial analysts and investors, and could cause our stock price to experience volatility or decline.

While the range of potential loss resulting from the lawsuit cannot be reasonably estimated, we have accrued a total liability of $3.2 million as of January 31, 2018 related to past negotiations with Finjan.

We intend to vigorously pursue our defenses. Given the early stage in the litigation, we are unable to predict the likelihood of success of Finjan's infringement claims.

Other

In addition, from time to time we are a party to various litigation matters and subject to claims that arise in the ordinary course of business, including patent, commercial, product liability, employment, class action, whistleblower and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. In addition, third parties may from time to time assert claims against us in the form of letters and other communications. Except as otherwise described above, there is no pending or threatened legal proceeding to which we are a party that, in our opinion, is likely to have a material adverse effect on our future financial results or operations; however, the results of litigation and claims are inherently unpredictable. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. The expense of litigation and the timing of this expense from period to period are difficult to estimate, subject to change and could adversely affect our results of operations.

MANAGEMENT

Executive Officers and Directors

The following table provides information regarding our executive officers and directors as of January 31, 2018:

Name	Age	Position(s)
Executive Officers:		
Jay Chaudhry	59	President, Chief Executive Officer and Chairman of the Board
Manoj Apte, Ph.D.	44	Chief Strategy Officer
Remo Canessa	60	Chief Financial Officer
Robert Schlossman	49	Chief Legal Officer
Amit Sinha, Ph.D.	41	Chief Technology Officer, Executive Vice President of Engineering and Cloud Operations and Director
William Welch	50	Chief Operating Officer
Non-Employee Directors:		
Lane Bess	56	Director
Karen Blasing(1)(2)	61	Director
Andrew Brown(1)(2)	54	Director
Scott Darling(3)	61	Director
Charles Giancarlo(2)(3)	60	Director
Nehal Raj(1)(3)	39	Director

(1) Member of our audit committee.
(2) Member of our compensation committee.
(3) Member of our nominating and corporate governance committee.

Executive Officers

Jagtar S. (Jay) Chaudhry. Mr. Chaudhry is our co-founder and has served as our president, chief executive officer and as chairman of our board of directors since September 2007. Mr. Chaudhry holds a Master of Business Administration and a Master of Science in electrical engineering and industrial engineering from the University of Cincinnati and a Bachelor of Technology in electronics engineering from the Indian Institute of Technology (Banaras Hindu University) Varanasi. Mr. Chaudhry also completed the executive management program at Harvard University. We believe Mr. Chaudhry is qualified to serve as a member of our board of directors because he is a security industry pioneer and an accomplished entrepreneur, having founded and built several companies, and based on the perspective, operational insight and expertise he has accumulated as our co-founder and our chief executive officer.

Manoj Apte, Ph.D. Dr. Apte has served as our senior vice president and as our chief strategy officer since September 2016. Prior to his appointment as our chief strategy officer, Dr. Apte served as our vice president of product management from September 2008. Dr. Apte has a Doctor of Philosophy in computer science from Mississippi State University, a Master of Science in computational engineering from Mississippi State University and a Bachelor of Technology in aerospace engineering from the Indian Institute of Technology, Bombay.

Remo E. Canessa. Mr. Canessa has served as our chief financial officer since February 2017. Prior to joining us, he served as chief financial officer of Illumio Inc., a private cybersecurity company, from July 2016 to February 2017. Prior to joining Illumio, from October 2004 to April 2016, Mr. Canessa served as chief financial

officer and an advisor to Infoblox Inc., a network control, network automation and domain name system security company. Mr. Canessa is a certified public accountant (inactive), and he holds a Bachelor of Arts in economics from the University of California, Berkeley and a Master of Business Administration from Santa Clara University. Mr. Canessa serves on the board of directors of Aerohive Networks, Inc., a cloud-managed mobile networking platform provider, where he is chairman of the audit committee and a member of the compensation committee.

Robert Schlossman. Mr. Schlossman has served as our chief legal officer since February 2016. Prior to joining us, he served as the chief legal officer at Lucid Motors Inc., an electric car company, from May 2015 to January 2016. Prior to joining Lucid Motors, from March 2010 to August 2014, Mr. Schlossman served as the chief legal and administrative officer at Aptina Inc., a provider of imaging solutions, which was acquired by ON Semiconductor Corporation. Mr. Schlossman holds a Juris Doctor from the University of California, Berkeley School of Law, as well as a Master of Arts and Bachelor of Arts in English from Stanford University.

Amit Sinha, Ph.D. Dr. Sinha has served as our chief technology officer since December 2010, and he has also served as our executive vice president of engineering and cloud operations since October 2013. He has served as a member of our board of directors since May 2017. Dr. Sinha holds a Doctor of Philosophy and Master of Science in electrical engineering and computer science from the Massachusetts Institute of Technology, and a Bachelor of Technology in electrical engineering from the Indian Institute of Technology, Delhi. We believe Dr. Sinha is qualified to serve as a member of our board of directors because he has more than 15 years of experience as an architect and technical manager in the networking and security industries and because of the operational insight and expertise he has accumulated as our chief technology officer.

William Welch. Mr. Welch has served as our chief operating officer since January 2017. Prior to his appointment as our chief operating officer, Mr. Welch served as our chief revenue officer beginning in January 2015. Prior to joining us, he served as vice president and general manager of Hewlett Packard Enterprise Company's Americas Software division from December 2012 to December 2014. Mr. Welch holds a Bachelor of Science in finance and political science from LaSalle University.

Non-Employee Directors

Lane Bess. Mr. Bess has served as a member of our board of directors since May 2011. Mr. Bess has served as principal and founder of Bess Ventures and Advisory, LLC, a strategic management, investment and marketing services firm, since February 2015. Prior to founding Bess Ventures and Advisory, Mr. Bess served as our chief operating officer from May 2011 to February 2015. From 2008 to 2010, Mr. Bess was chief executive officer of Palo Alto Networks, Inc. Mr. Bess holds a Bachelor of Science in managerial economics from Carnegie Mellon University and a Master of Business Administration from the University of Dayton. We believe Mr. Bess is qualified to serve as a member of our board of directors based on his extensive experience in building and leading technology businesses and the operational insight and expertise he accumulated as our chief operating officer.

Karen Blasing. Ms. Blasing has served as a member of our board of directors since January 2017. Ms. Blasing served as the chief financial officer of Guidewire Software, Inc. from 2009 to March 2015. Prior to 2009, Ms. Blasing served as the chief financial officer for Force10 Networks, Inc. and as the senior vice president of finance for salesforce.com, and she also served as chief financial officer for Nuance Communications, Inc. and Counterpane Internet Security, Inc. and held senior finance roles for Informix Corporation (now IBM Informix) and Oracle Corporation. Ms. Blasing currently sits on the board of directors of Ellie Mae, Inc., a provider of on-demand software solutions and services for the residential mortgage industry in the United States. Ms. Blasing holds a Bachelor of Arts in economics and business administration from the University of Montana and a Master of Business Administration from the University of Washington. We believe Ms. Blasing is qualified to serve as a member of our board of directors based on her extensive financial leadership and management experience at numerous SaaS and enterprise software companies.

Andrew Brown. Mr. Brown has served as a member of our board of directors since October 2015. Mr. Brown has served as chief executive officer of Sand Hill East LLC, a strategic management, investment and marketing services firm, since February 2014. Since 2006, he has also been the chief executive officer and co-owner of Biz Tectonics LLC, a privately held consulting company. From September 2010 to October 2013, Mr. Brown served as group chief technology officer of UBS Securities LLC, an investment bank. From 2008 to 2010, Mr. Brown served as head of strategy, architecture and optimization at Bank of America Merrill Lynch, the corporate and investment banking division of Bank of America. From 2006 to 2008, Mr. Brown served as chief technology officer of infrastructure at Credit Suisse Securities (USA) LLC. Mr. Brown currently sits on the board of directors of Guidewire Software, Inc., a provider of software products for property and casualty insurers, where he serves as a member of the compensation committee. Mr. Brown holds a Bachelor of Science (Honors) in chemical physics from University College London. We believe Mr. Brown is qualified to serve as a member of our board of directors based on his extensive experience as chief technology officer of multiple Fortune 500 companies, as well as his service on the board of directors of other publicly held companies.

Scott Darling. Mr. Darling has served as a member of our board of directors since November 2016. Mr. Darling has served as president of Dell Technologies Capital, the corporate development and venture capital arm of Dell Technologies Inc., since September 2016. Prior to joining Dell Technologies upon its acquisition of EMC Corp., Mr. Darling was president of EMC Corporate Development and Ventures from March 2012 to September 2016, and in such role he was responsible for EMC's business development and venture capital investment activity. Prior to joining EMC, Mr. Darling was a general partner at Frazier Technology Ventures II, L.P., which he joined in 2007, and was vice president and managing director at Intel Capital Corp., the venture capital arm of Intel Corporation, from 2000 to 2007. Mr. Darling represents Dell Technologies Capital on the board of directors of the private companies Barefoot Networks, Inc. and DocuSign Inc. Mr. Darling received a Bachelor of Arts in economics from the University of California at Santa Cruz and a Master of Business Administration from the Stanford University Graduate School of Business. We believe Mr. Darling is qualified to serve as a member of our board of directors based on his experience as a director of and as an investor in multiple technology companies.

Charles Giancarlo. Mr. Giancarlo has served as a member of our board of directors since November 2016. Mr. Giancarlo has served as chief executive officer and a director of Pure Storage, Inc., an enterprise level data storage company, since August 2017. From January 2008 until October 2015, Mr. Giancarlo was a managing director and then Strategic Advisor of Silver Lake Partners, a private investment firm that focuses on technology, technology-enabled and related growth industries. From May 1993 to December 2007, Mr. Giancarlo served in numerous senior executive roles at Cisco Systems, Inc., a provider of communications and networking products and services, ultimately as the executive vice president and chief development officer from May 2004 to December 2007. Mr. Giancarlo currently serves on the boards of directors of Accenture plc, a management consulting business, Avaya, Inc., a provider of business collaboration and communications solutions, Imperva, Inc., a provider of business security solutions, Arista Networks, Inc., a manufacturer of networking products, and various private companies. He previously served on the boards of directors of ServiceNow, Inc., Netflix, Inc. and Tintri, Inc. Mr. Giancarlo holds a Bachelor of Science in electrical engineering from Brown University, a Master of Science in electrical engineering from the University of California, Berkeley and Master of Business Administration from Harvard Business School. We believe Mr. Giancarlo is qualified to serve as a member of our board of directors based on his extensive business expertise, including his prior executive level leadership, and his experience on the boards of publicly traded technology companies.

Nehal Raj. Mr. Raj has served as a member of our board of directors since July 2015. Mr. Raj is a Partner at TPG, a private investment firm based in San Francisco, where he leads investments in the technology sector for both TPG Capital and TPG Growth. Prior to joining TPG in 2006, he was an associate at Francisco Partners. Mr. Raj is currently a director of multiple private companies, including C3 IoT, Domo, Inc., EverFi, Inc., Mediware Information Systems, Inc., Noodle Analytics, Inc. and Sutherland Global Services, Inc. Mr. Raj received a Bachelor of Arts in economics and Master of Science in industrial engineering from Stanford University, where he was Phi Beta Kappa, and a Master of Business Administration from Harvard Business

School, where he was a Baker Scholar. We believe Mr. Raj is qualified to serve as a member of our board of directors based on his experience as a director of technology companies and his background in the private equity industry, including his experience with investments in network technology, infrastructure SaaS and cyber-security companies.

Election of Officers

Our executive officers are appointed by our board of directors and serve until their successors have been duly elected and qualified. There are no family relationships among any of our directors or executive officers.

Code of Conduct

We have adopted a code of conduct that applies to all of our employees, officers and directors, including our chief executive officer, chief financial officer and other executive and senior financial officers. Upon the completion of this offering, the full text of our code of conduct will be available on our website at www.zscaler.com. We intend to post any amendment to our code of conduct, and any waivers of such code for directors and executive officers, on the same website. Information on or that can be accessed through our website is not part of this prospectus.

Board of Directors

Our business and affairs are managed under the direction of our board of directors. The number of directors is fixed by our board of directors, subject to the terms of our amended and restated certificate of incorporation and amended and restated bylaws that will become effective immediately prior to the completion of this offering. Our board of directors currently consists of eight members.

Following the completion of this offering, our amended and restated certificate of incorporation and amended and restated bylaws will provide for a classified board of directors, with each director serving a staggered, three-year term. The terms of the directors will expire upon the election and qualification of successor directors at the annual meeting of stockholders to be held during 2019 for the Class I directors, 2020 for the Class II directors and 2021 for the Class III directors.

- Our Class I directors will be Charles Giancarlo, Lane Bess and Karen Blasing, and their terms will expire at the annual meeting of stockholders to be held in 2019;
- Our Class II directors will be Andrew Brown, Scott Darling and Nehal Raj, and their terms will expire at the annual meeting of stockholders to be held in 2020; and
- Our Class III directors will be Jay Chaudhry and Amit Sinha, and their terms will expire at the annual meeting of stockholders to be held in 2021.

Upon expiration of the term of a class of directors, directors for that class will be elected for three-year terms at the annual meeting of stockholders in the year in which that term expires. Each director's term shall continue until the election and qualification of his or her successor, or his or her earlier death, resignation or removal. Any additional directorships resulting from an increase in the number of authorized directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors.

The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change of control. Under Delaware law, our directors may be removed for cause by the affirmative vote of the holders of a majority of our voting stock.

Our amended and restated certificate of incorporation will provide that, in the event of a deadlock on the board of directors, the chairman of the board shall be entitled to cast two votes. Such tiebreaking vote provision will lapse upon the earliest to occur of (i) an increase in the authorized number of directors by one or more (but not a decrease) or (ii) the five (5) year anniversary of the completion of this offering.

Director Independence

Under the rules of Nasdaq, independent directors must comprise a majority of a listed company's board of directors within a specified period of the completion of an initial public offering. In addition, the rules of Nasdaq require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and corporate governance committees be independent. Under the rules of Nasdaq, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Compensation committee members must not have a relationship with us that is material to the director's ability to be independent from management in connection with the duties of a compensation committee member. Additionally, audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act.

In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors or any other board committee, accept, directly or indirectly, any consulting, advisory or other compensatory fee from the listed company or any of its subsidiaries or be an affiliated person of the listed company or any of its subsidiaries.

Our board of directors has undertaken a review of the independence of each director and considered whether each director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships and as a result of this review, our board of directors determined that each of Ms. Blasing and Messrs. Brown, Darling, Giancarlo and Raj, representing five of our eight directors, does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and are "independent directors" as defined under the applicable rules and regulations of the SEC and the listing requirements and rules of Nasdaq. We believe that Mr. Bess will qualify as an "independent director" under the applicable rules and regulations of the SEC and the listing requirements and rules of Nasdaq in February 2018, three years following the date he last served as our chief operating officer. In making this determination, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director.

Committees of Our Board of Directors

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee, each of which will have the composition and responsibilities described below upon completion of this offering. Members will serve on these committees until their resignation or until otherwise determined by our board of directors.

Audit Committee

Our audit committee is comprised of Ms. Blasing, Mr. Brown and Mr. Raj, each of whom is a non-employee member of our board of directors. Ms. Blasing is the chair of our audit committee. Our board of directors has determined that each of the members of our audit committee satisfies the requirements for independence and financial literacy under the rules and regulations of Nasdaq and the SEC. Our board of directors has also determined that Ms. Blasing qualifies as an "audit committee financial expert" as defined in the SEC rules and satisfies the financial sophistication requirements of Nasdaq. The audit committee is responsible for, among other things:

- selecting and hiring our registered public accounting firm;
- evaluating the performance and independence of our registered public accounting firm;

- approving the audit and pre-approving any non-audit services to be performed by our registered public accounting firm;
- reviewing our financial statements and related disclosures and reviewing our critical accounting policies and practices;
- reviewing the adequacy and effectiveness of our internal control policies and procedures and our disclosure controls and procedures;
- overseeing procedures for the treatment of complaints on accounting, internal accounting controls or audit matters;
- reviewing and discussing with management and the independent registered public accounting firm the results of our annual audit, our quarterly financial statements and our publicly filed reports;
- reviewing and approving in advance any proposed related-person transactions; and
- preparing the audit committee report that the SEC will require in our annual proxy statement.

Compensation Committee

Our compensation committee is comprised of Mr. Brown, Ms. Blasing and Mr. Giancarlo, each of whom is a non-employee member of our board of directors. Mr. Brown is the chairman of our compensation committee. Our board of directors has determined that each member of our compensation committee meets the requirements for independence under the rules of Nasdaq and the SEC, is a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act, and is an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code. The compensation committee is responsible for, among other things:

- reviewing and approving our chief executive officer's and other executive officers' annual base salaries, incentive compensation plans, including the specific goals and amounts, equity compensation, employment agreements, severance arrangements and change in control agreements and any other benefits, compensation or arrangements;
- administering our equity compensation plans;
- overseeing our overall compensation philosophy, compensation plans and benefits programs; and
- preparing the compensation committee report that the SEC will require in our annual proxy statement.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee is comprised of Mr. Giancarlo, Mr. Darling and Mr. Raj, each of whom is a non-employee member of our board of directors. Mr. Giancarlo is the chairman of our nominating and corporate governance committee. Our board of directors has determined that each member of our nominating and corporate committee meets the requirements for independence under the rules of Nasdaq. The nominating and corporate governance committee is responsible for, among other things:

- evaluating and making recommendations regarding the composition, organization and governance of our board of directors and its committees;
- evaluating and making recommendations regarding the creation of additional committees or the change in mandate or dissolution of committees;
- reviewing and making recommendations with regard to our corporate governance guidelines and compliance with laws and regulations; and
- reviewing and approving conflicts of interest of our directors and corporate officers, other than related person transactions reviewed by the audit committee.

We intend to post the charters of our audit, compensation and nominating and corporate governance committees, and any amendments thereto that may be adopted from time to time, on our website. Information on or that can be accessed through our website is not part of this prospectus. Our board of directors may from time to time establish other committees.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is or has been an officer or employee of our company. None of our executive officers currently serves, or in the past year has served, as a member of the compensation committee or director (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of any entity that has one or more executive officers serving on our compensation committee or our board of directors.

Non-Employee Director Compensation

We do not currently have a formal policy with respect to compensation payable to our non-employee directors for service as directors. During fiscal 2017, our non-employee directors did not receive any cash compensation for their services as directors or as board committee members. Our board of directors has, however, granted equity awards from time to time to non-employee directors as compensation for their service as directors. We also reimburse our non-employee directors for their reasonable out-of-pocket costs and travel expenses in connection with their service as members of our board of directors.

The table below shows the total compensation awarded to our non-employee directors during fiscal 2017:

Name	Option Awards ($)(1)	Total ($)
Lane Bess	—	—
Karen Blasing(2)	504,308	504,308
Andrew Brown(3)	36,787	36,787
Scott Darling(4)	—	—
Charles Giancarlo(5)	429,185	429,185
Nehal Raj	—	—
Robert Williams(6)	—	—

(1) The amounts in this column represent the aggregate grant-date fair value of the award as computed as of the grant date of each option awarded in fiscal 2017 in accordance with Financial Accounting Standard Board Accounting Standards Codification Topic 718, or ASC Topic 718. The assumptions used in calculating the grant-date fair value of the awards reported in this column are set forth in the notes to our consolidated financial statements included elsewhere in this prospectus. Other than as set forth in the footnotes below, our non-employee directors did not hold any equity awards as of July 31, 2017.

(2) Ms. Blasing was elected to our board of directors on January 1, 2017. In March 2017, we granted Ms. Blasing an option to purchase 350,000 shares of our common stock. The option includes an early exercise feature that allows Ms. Blasing to exercise the option to purchase unvested shares at any time, subject to our right to repurchase any such shares that remain unvested if her service with us terminates. One forty-eighth of the shares subject to such option vest each month after January 1, 2017, subject to Ms. Blasing's continued service to us. In addition, if a change of control occurs before Ms. Blasing's service terminates, the option will become fully vested. In June 2017, Ms. Blasing exercised the option with respect to 60,000 shares. As of July 31, 2017, our right of repurchase has lapsed with respect to 43,750 of such shares, and 16,250 of such shares remain subject to our right of repurchase. As of July 31, 2017, all of the remaining 290,000 unexercised shares subject to the option were unvested.

(3) We granted Mr. Brown the following options to purchase shares of our common stock: (i) in December 2013, an option covering 20,000 shares, (ii) in October 2015, an option covering 300,000 shares, and (iii) in November 2016, an option covering 30,000 shares. Each of the options granted in October 2015 and November 2016 includes an early exercise feature that allows Mr. Brown to exercise the option to purchase unvested shares at any time, subject to our right to repurchase any such shares that remain unvested if his service with us terminates. The options vest according to the following schedules, subject to Mr. Brown's continued service with us: (i) one twenty-fourth of the shares subject to the option granted in December 2013 vested each month after November 1, 2013, (ii) one forty-eighth of the shares subject to the option granted in October 2015 vest monthly after October 14, 2015 and (iii) one forty-eighth of the shares subject to the option granted in November 2016 vest monthly after November 17, 2017. In addition, if a change of control occurs before Mr. Brown's service terminates, the options granted in October 2015 and November 2016 will become fully vested, subject to his

execution of a release of claims. In December 2015, Mr. Brown exercised the option granted in October 2015 with respect to 75,000 shares. As of July 31, 2017, Mr. Brown held a total of 275,000 unexercised shares subject to options, of which a total of 193,750 shares underlying the options were unvested, as follows: (i) all 20,000 of the shares subject to the option granted in December 2013 were vested, (ii) 56,250 of the remaining shares subject to the option granted in October 2015 were vested and 168,750 were unvested, and (iii) 5,000 of the shares subject to the option granted in November 2016 were vested and 25,000 were unvested.

(4) Mr. Darling was elected to our board of directors on November 17, 2016.

(5) Mr. Giancarlo was elected to our board of directors on November 17, 2016. In November 2016, we granted Mr. Giancarlo an option to purchase 350,000 shares of our common stock. The option includes an early exercise feature that allows Mr. Giancarlo to exercise the option to purchase unvested shares at any time, subject to our right to repurchase any such shares that remain unvested when his service with us terminates. In addition, if a change of control occurs before Mr. Giancarlo's service terminates, the option will become fully vested, subject to his execution of a release of claims. One forty-eighth of the shares subject to such option vest monthly after November 17, 2016, subject to Mr. Giancarlo's continued service to us. All 350,000 of the unexercised shares subject to the option were outstanding as of July 31, 2017, of which 58,333 shares underlying the option were vested and 291,667 shares underlying the option were unvested.

(6) Mr. Williams resigned from our board of directors on October 13, 2016.

We also entered into offer letters with each of Ms. Blasing and Messrs. Brown, Darling and Giancarlo in connection with their appointment to our board of directors. Each such offer letter provides that the relevant director will be reimbursed for reasonable expenses he or she incurs in connection with his or her service on our board of directors and that he or she will be indemnified in his or her capacity as a director. In addition, Ms. Blasing's offer letter provides for the grant of an option to purchase 350,000 shares of our common stock, which we granted to her in March 2017; Mr. Brown's offer letter provides for the grant of an option to purchase 300,000 shares of our common stock, which we granted to him in October 2015; and Mr. Giancarlo's offer letter provides for the grant of an option to purchase 350,000 shares of our common stock, which we granted to him in November 2016, each as more fully described in the preceding table.

Directors who are also our employees receive no additional compensation for their service as directors. During fiscal 2017, Mr. Chaudhry and Dr. Sinha were executive officers of ours, and Mr. Chaudhry was one of our named executive officers. See the section titled "Executive Compensation" for additional information about the compensation of Mr. Chaudhry.

Although compensation has been paid to our non-employee directors prior to the completion of this offering, we do not currently have a policy or plan to make equity award grants or pay cash retainers to our non-employee directors at a particular time, of a particular value or of a particular amount.

EXECUTIVE COMPENSATION

Fiscal 2017 Summary Compensation Table

The following table and narrative summarizes and explains the compensation that we paid to, or that was earned by, each person who served as our principal executive officer and each of the named executive officers determined under Item 402(m)(2) of Regulation S-K during fiscal 2017. We refer to these executive officers in this prospectus as our named executive officers.

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Jay Chaudhry(3) President, Chief Executive Officer and Chairman of the Board	2017	—	—	—	—	—	—	—	—
Remo Canessa(4) Chief Financial Officer	2017	146,591	72,313(4)	—	2,161,320	—	—	—	2,380,224
William Welch Chief Operating Officer	2017	300,000	—	—	728,896	379,561(5)	—	—	1,408,457

(1) The amounts disclosed represent the grant date fair value of the stock options granted to the named executive officers during fiscal 2017 as computed in accordance with ASC Topic 718. The assumptions used in calculating the grant date fair value of the stock options reported in this column are set forth in the notes to our audited consolidated financial statements included in this prospectus. Such grant-date fair value does not take into account any estimated forfeitures related to service-vesting conditions. These amounts do not reflect the actual economic value that will be realized by the named executive officer upon the vesting of the stock options, the exercise of the stock options or the sale of the common stock underlying such stock options.
(2) The amounts disclosed represent the amounts earned in fiscal 2017 pursuant to our Fiscal Year 2017 Bonus Plan.
(3) Mr. Chaudhry serves on our board of directors but is not paid additional compensation for such service.
(4) Mr. Canessa joined as our chief financial officer in February 2017 and received a pro-rated bonus under the terms of his offer letter.
(5) The amounts disclosed represent the amounts earned in fiscal 2017 pursuant to our Fiscal Year 2017 Sales Compensation Plan.

Named Executive Officer Employment Letters

Jay Chaudhry

We entered into an employment agreement with Jay Chaudhry, our president, chief executive officer and chairman of our board of directors, on August 23, 2017. The employment agreement does not have a fixed expiration date, and Mr. Chaudhry's employment is at-will. Mr. Chaudhry's current annual base salary is $23,660, and he is currently eligible to receive discretionary bonuses, as determined by our board of directors or our compensation committee.

In addition, in August 2017, our board of directors approved the payment by us of filing fees in the amount of $125,000 on behalf of Mr. Chaudhry in connection with a filing made under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, as a result of the acquisition by entities controlled by Mr. Chaudhry of shares of our common stock from existing stockholders. Our board of directors also approved reimbursing Mr. Chaudhry for any applicable taxes payable by Mr. Chaudhry as a result of such payment.

Remo Canessa

We entered into an employment letter with Remo Canessa, our chief financial officer, on January 8, 2017. The employment letter does not have a fixed expiration date, and Mr. Canessa's employment is at-will. Mr. Canessa's current annual base salary is $300,000, and he is currently eligible to earn annual incentive compensation with a target equal to $150,000, with the annual bonus for fiscal 2017 pro-rated based on Mr. Canessa's date of hire and guaranteed so long as Mr. Canessa continued employment with us through the date the bonus was paid.

In connection with his hire, in March 2017, Mr. Canessa was granted a stock option to purchase 1,500,000 shares of our common stock, subject to the terms and conditions of our 2007 Plan and a stock option agreement between us and Mr. Canessa. The option vests in monthly installments over four years with a 12-month vesting cliff, in each case subject to Mr. Canessa's continued service through the applicable vesting date. The option includes an early exercise feature.

If we terminate Mr. Canessa's employment other than for "cause", death or "disability" outside of the "change of control period" (as such terms are defined in our Change of Control and Severance Policy), he will receive (1) continuing payments of base salary for a period of six months, (2) acceleration of the vesting of his equity awards to the extent such awards would have vested had he remained employed with us for an additional six months (provided that if his termination occurs within six months of his start date, the vesting of 187,500 shares subject to the option described in the previous paragraph will be accelerated), and (3) an extended post-termination exercise period of stock options for 12 months after termination, subject to his signing and not revoking a release of claims within the time specified in the employment letter.

Mr. Canessa is an eligible participant in our Change of Control and Severance Policy described below. In addition to such benefits described below, Mr. Canessa's extended 12-month post-termination exercise period described above will also apply for qualified terminations during the change of control period.

William Welch

We entered into an employment letter with William Welch, our chief operating officer, on November 25, 2014. The employment letter does not have a fixed expiration date, and Mr. Welch's employment is at-will. Mr. Welch's current annual base salary is $300,000, and he is currently eligible to earn commission with a target equal to $300,000. In connection with his hire, in December 2014, Mr. Welch was granted a stock option to purchase 650,000 shares of our common stock, subject to the terms and conditions of our 2007 Plan and a stock option agreement between us and Mr. Welch. The option vests in monthly installments over four years with a 12-month vesting cliff, in each case subject to Mr. Welch's continued service through the applicable vesting date. The option includes an early exercise feature.

If we terminate Mr. Welch's employment other than for "cause", as such term is defined in our employment letter with Mr. Welch, he will receive continuing payments of base salary for a period of 12 months, subject to early termination if Mr. Welch becomes employed, subject to (1) his signing and not revoking a release of claims within the time specified in the employment letter and (2) his signing and complying with a 12-month non-compete and non-solicit agreement in our favor.

Mr. Welch is an eligible participant in our Change of Control and Severance Policy described below.

Change of Control and Severance Policy

Our board of directors adopted a Change of Control and Severance Policy, or the Severance Policy. Messrs. Canessa and Welch are participants in the Severance Policy. Under the Severance Policy, if we terminate either named executive officer's employment other than for "cause," death or "disability" or the named executive officer resigns for "good reason" during the period beginning on a "change of control" (as such terms are defined in the Severance Policy) and ending 12 months following the change of control (which we refer to as the change of control period), such named executive officer will be eligible to receive the following severance benefits:

- 100% of the then-unvested shares subject to his then-outstanding equity awards will become vested and exercisable, and in the case of equity awards with performance-based vesting, all performance goals and other vesting criteria will be deemed achieved at the specified percentage of target levels;
- a lump-sum payment equal to 100% of the greatest of (i) his annual base salary as in effect immediately prior to his termination, (ii) if the termination is a resignation for good reason based on a material reduction in base salary, his annual base salary as in effect immediately prior to such reduction, or (iii) his annual base salary as in effect immediately prior to the change of control;

- a lump-sum payment equal to (i) 100% of his target annual bonus for the fiscal year in which his termination occurs plus (ii) a pro-rated portion of such target annual bonus reduced by any bonus payments made during such fiscal year; and
- a lump-sum health benefit severance payment of $36,000.

To receive the severance benefits upon a qualifying termination, a named executive officer must sign and not revoke a release of claims within the time specified in the Severance Policy. If we discover after a named executive officer receives severance benefits that grounds for terminating him for cause existed, such named executive officer will not receive any further severance benefits under the Severance Policy, and to the extent permitted by law, the named executive officer will be required to repay to us any severance payments and benefits (or gain derived from such payments and benefits) he received under the Severance Policy.

If any of the payments or benefits provided for under the Severance Policy or otherwise payable to a named executive officer would constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code and would be subject to the related excise tax under Section 4999 of the Internal Revenue Code, then the named executive officer will be entitled to receive either full payment of such payments and benefits or such lesser amount which would result in no portion of the benefits being subject to the excise tax, whichever results in the greater amount of after-tax benefits to him.

In addition to the benefits described above, Mr. Canessa's 12-month extended post-termination exercise period continues to apply for a qualified termination during the change of control period.

Bonus

We sponsored a Fiscal Year 2017 Bonus Plan, or our Bonus Plan. Mr. Canessa was eligible to participate in our Bonus Plan. The Bonus Plan had semi-annual performance periods. The target annual bonus was $150,000, but as noted above, this target was pro-rated because Mr. Canessa joined us after the commencement of fiscal 2017. Bonuses under the Bonus Plan generally were payable based on our achievement of new annual contract value and renewal amounts, but as noted above, the bonus for Mr. Canessa was guaranteed if he remained employed with us through the date his bonus was paid.

Non-Equity Incentive Plan Compensation

We sponsored a Fiscal Year 2017 Sales Compensation Plan, or our Sales Compensation Plan, in which Mr. Welch was eligible to participate. The Sales Compensation Plan had an annual performance period, and Mr. Welch's target commission was $300,000. Amounts under the Sales Compensation Plan generally were payable based on our achievement of new and upsell annual contract value and renewal amounts.

Outstanding Equity Awards as of Fiscal Year End

The following table sets forth information regarding outstanding stock options and stock awards held by our named executive officers as of July 31, 2017:

	Option Awards					Stock Awards	
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)(1)
Jay Chaudhry	—	—	—	—	—	—	—
Remo Canessa(2)	03/02/2017	1,125,000	—	3.88	03/02/2024	375,000	2,066,250
William Welch(3)	12/23/2014	—	—	1.19	12/23/2021	230,209	1,268,452
	04/03/2015	—	—	1.75	04/03/2022	211,459	1,165,139
	01/15/2016	—	—	2.93	01/14/2023	187,500	1,033,125
	04/10/2017	—	500,000	3.95	04/10/2024	—	—

(1) This amount reflects the fair market value of our common stock of $5.51 as of July 31, 2017 (the determination of the fair market value by our board of directors as of the most proximate date) multiplied by the amount shown in the column for the number of shares or units that have not vested.

(2) Mr. Canessa was granted an option to purchase 1,500,000 shares. One-fourth of the shares subject to the option vest on February 6, 2018, and one forty-eighth of the shares vest monthly thereafter, subject to Mr. Canessa's continued service to us. Mr. Canessa acquired 375,000 shares pursuant to an early exercise provision subject to our right of repurchase. The option is subject to potential vesting acceleration as described above.

(3) Mr. Welch was granted the following options to purchase shares of our common stock: (i) in December 2014, an option covering 650,000 shares, (ii) in April 2015, an option covering 350,000 shares, (iii) in January 2016, an option to purchase 300,000 shares, and (iv) in April 2017, an option to purchase 500,000 shares, each subject to the terms and conditions of our 2007 Plan and a stock option agreement between us and Mr. Welch. Each of the options vest in monthly installments over four years with a 12-month vesting cliff, in each case subject to Mr. Welch's continued service through the applicable vesting date. Each of the options granted in December 2014, April 2015 and January 2016 includes an early exercise feature. Mr. Welch acquired an aggregate of 1,300,000 shares pursuant to such early exercise provisions, and an aggregate of 629,168 of such shares are subject to our right of repurchase as of July 31, 2017, subject to potential vesting acceleration as described above. The remaining 500,000 shares subject to options are subject to potential vesting acceleration as described above.

Employee Benefit and Stock Plans

Fiscal Year 2018 Equity Incentive Plan

Prior to the completion of this offering, our board of directors intends to adopt, and we expect our stockholders will approve, our 2018 Plan. We expect that our 2018 Plan will be effective on the business day immediately prior to the effective date of the registration statement of which this prospectus forms a part. Our 2018 Plan will provide for the grant of incentive stock options, within the meaning of Section 422 of the Internal Revenue Code, to our employees and any parent and subsidiary corporations' employees, and for the grant of nonstatutory stock options, restricted stock, restricted stock units, stock appreciation rights, performance units and performance shares to our employees, directors and consultants and our parent and subsidiary corporations' employees and consultants.

Authorized Shares. A total of shares of our common stock will be reserved for issuance pursuant to our 2018 Plan. In addition, the shares reserved for issuance under our 2018 Plan also will include shares subject to awards under our 2007 Plan that, after the effectiveness of the registration statement of which this prospectus forms a part, expire or terminate and shares previously issued pursuant to our 2007 Plan, as applicable, that, after the effectiveness of the registration statement of which this prospectus forms a part, are forfeited or repurchased by us (provided that the maximum number of shares that may be added to our 2018 Plan pursuant to this sentence is shares). The number of shares available for issuance under our 2018 Plan

will also include an annual increase on the first day of each fiscal year beginning on August 1, 2018, equal to the least of:

- shares;
- 5% of the outstanding shares of our common stock as of the last day of the immediately preceding fiscal year; or
- such other amount as our board of directors may determine.

If an award expires or becomes unexercisable without having been exercised in full, is surrendered pursuant to an exchange program, or, with respect to restricted stock, restricted stock units, or RSUs, performance units or performance shares, is forfeited to or repurchased due to failure to vest, the unpurchased shares (or for awards other than stock options or stock appreciation rights, the forfeited or repurchased shares) will become available for future grant or sale under the 2018 Plan. With respect to stock appreciation rights, only the net shares actually issued will cease to be available under the 2018 Plan and all remaining shares under stock appreciation rights will remain available for future grant or sale under the 2018 Plan. Shares that have actually been issued under the 2018 Plan under any award will not be returned to the 2018 Plan; provided, however, that if shares issued pursuant to awards of restricted stock, RSUs, performance shares or performance units are repurchased or forfeited, such shares will become available for future grant under the 2018 Plan. Shares used to pay the exercise price of an award or satisfy the tax withholding obligations related to an award will become available for future grant or sale under the 2018 Plan. To the extent an award is paid out in cash rather than shares, such cash payment will not result in a reduction in the number of shares available for issuance under the 2018 Plan.

Plan Administration. Our board of directors or one or more committees appointed by our board of directors will administer our 2018 Plan. The compensation committee of our board of directors is expected to administer our 2018 Plan. In the case of awards intended to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Internal Revenue Code, the committee will consist of two or more "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code. In addition, if we determine it is desirable to qualify transactions under our 2018 Plan as exempt under Rule 16b-3 of the Exchange Act, such transactions will be structured to satisfy the requirements for exemption under Rule 16b-3. Subject to the provisions of our 2018 Plan, the administrator has the power to administer our 2018 Plan and make all determinations deemed necessary or advisable for administering the 2018 Plan, including but not limited to, the power to determine the fair market value of our common stock, select the service providers to whom awards may be granted, determine the number of shares covered by each award, approve forms of award agreements for use under the 2018 Plan, determine the terms and conditions of awards (including, but not limited to, the exercise price, the times or times at which the awards may be exercised, any vesting acceleration or waiver or forfeiture restrictions, and any restriction or limitation regarding any award or the shares relating thereto), construe and interpret the terms of our 2018 Plan and awards granted under it, to prescribe, amend, and rescind rules relating to our 2018 Plan, including creating sub-plans, and to modify or amend each award, including but not limited to the discretionary authority to extend the post-termination exercisability period of awards (provided that no option or stock appreciation right will be extended past its original maximum term) and to allow a participant to defer the receipt of payment of cash or the delivery of shares that would otherwise be due to such participant under an award. The administrator also has the authority to allow participants the opportunity to transfer outstanding awards to a financial institution or other person or entity selected by the administrator and to institute an exchange program by which outstanding awards may be surrendered in exchange for awards of the same type which may have a higher or lower exercise price or different terms, awards of a different type and/or cash, or by which the exercise price of an outstanding award is increased or reduced,. The administrator's decisions, interpretations, and other actions are final and binding on all participants.

Stock Options. Stock options may be granted under our 2018 Plan. The exercise price of options granted under our 2018 Plan must at least be equal to the fair market value of our common stock on the date of grant. The term of an incentive stock option may not exceed ten years, except that with respect to any participant who owns

more than 10% of the voting power of all classes of our outstanding stock, the term must not exceed five years and the exercise price must equal at least 110% of the fair market value on the grant date. The administrator will determine the methods of payment of the exercise price of an option, which may include cash, shares or other property acceptable to the administrator, as well as other types of consideration permitted by applicable law. After the termination of service of an employee, director or consultant, he or she may exercise his or her option for the period of time stated in his or her option agreement. In the absence of a specified time in an award agreement, if termination is due to death or disability, the option will remain exercisable for 12 months. In all other cases, in the absence of a specified time in an award agreement, the option will remain exercisable for three months following the termination of service. An option may not be exercised later than the expiration of its term. Subject to the provisions of our 2018 Plan, the administrator determines the other terms of options.

Stock Appreciation Rights. Stock appreciation rights may be granted under our 2018 Plan. Stock appreciation rights allow the recipient to receive the appreciation in the fair market value of our common stock between the exercise date and the date of grant. Stock appreciation rights may not have a term exceeding ten years. After the termination of service of an employee, director or consultant, he or she may exercise his or her stock appreciation right for the period of time stated in his or her stock appreciation rights agreement. In the absence of a specified time in an award agreement, if termination is due to death or disability, the stock appreciation right will remain exercisable for 12 months. In all other cases, in the absence of a specified time in an award agreement, the stock appreciation right will remain exercisable for three months following the termination of service. However, in no event may a stock appreciation right be exercised later than the expiration of its term. Subject to the provisions of our 2018 Plan, the administrator determines the other terms of stock appreciation rights, including when such rights become exercisable and whether to pay any increased appreciation in cash or with shares of our common stock, or a combination thereof, except that the per share exercise price for the shares to be issued pursuant to the exercise of a stock appreciation right will be no less than 100% of the fair market value per share on the date of grant.

Restricted Stock. Restricted stock may be granted under our 2018 Plan. Restricted stock awards are grants of shares of our common stock that vest in accordance with terms and conditions established by the administrator. The administrator will determine the number of shares of restricted stock granted to any employee, director or consultant and, subject to the provisions of our 2018 Plan, will determine the terms and conditions of such awards. The administrator may impose whatever conditions to vesting it determines to be appropriate (for example, the administrator may set restrictions based on the achievement of specific performance goals or continued service to us); provided, however, that the administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed. Recipients of restricted stock awards generally will have voting and dividend rights with respect to such shares upon grant without regard to vesting, unless the administrator provides otherwise. Shares of restricted stock that do not vest are subject to our right of repurchase or forfeiture.

RSUs. RSUs may be granted under our 2018 Plan. RSUs are bookkeeping entries representing an amount equal to the fair market value of one share of our common stock. Subject to the provisions of our 2018 Plan, the administrator determines the terms and conditions of RSUs, including the vesting criteria and the form and timing of payment. The administrator may set vesting criteria based upon the achievement of company-wide, divisional, business unit, or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws, or any other basis determined by the administrator in its discretion. The administrator, in its sole discretion, may pay earned restricted stock units in the form of cash, in shares or in some combination thereof. Notwithstanding the foregoing, the administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout.

Performance Units and Performance Shares. Performance units and performance shares may be granted under our 2018 Plan. Performance units and performance shares are awards that will result in a payment to a participant only if performance goals established by the administrator are achieved or the awards otherwise vest. The administrator will establish performance objectives or other vesting criteria in its discretion, which,

depending on the extent to which they are met, will determine the number and/or the value of performance units and performance shares to be paid out to participants. The administrator may set performance objectives based on the achievement of company-wide, divisional, business unit or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws or any other basis determined by the administrator in its discretion. After the grant of a performance unit or performance share, the administrator, in its sole discretion, may reduce or waive any performance criteria or other vesting provisions for such performance units or performance shares. Performance units shall have an initial dollar value established by the administrator on or prior to the grant date. Performance shares shall have an initial value equal to the fair market value of our common stock on the grant date. The administrator, in its sole discretion, may pay earned performance units or performance shares in the form of cash, in shares or in some combination thereof.

Outside Directors. Our 2018 Plan provides that all outside (non-employee) directors will be eligible to receive all types of awards (except for incentive stock options) under our 2018 Plan. Prior to the completion of this offering, we intend to implement a formal policy pursuant to which our outside directors will be eligible to receive equity awards under our 2018 Plan. In order to provide a maximum limit on the awards that can be made to our outside directors, our 2018 Plan provides that in any given fiscal year, an outside director will not be granted (i) stock-settled awards having a grant-date fair value greater than $1,000,000 (increased to $2,000,000 in connection with his or her initial service) or (ii) cash-settled awards having a grant-date fair value greater than $1,000,000 (increased to $2,000,000 in connection with his or her initial service). The grant-date fair values will be determined according to U.S. GAAP. The maximum limits do not reflect the intended size of any potential grants or a commitment to make grants to our outside directors under our 2018 Plan in the future.

Non-Transferability of Awards. Unless the administrator provides otherwise, our 2018 Plan generally does not allow for the transfer of awards other than by will or the laws of descent or distribution and only the recipient of an award may exercise an award during his or her lifetime. If the administrator makes an award transferable, such award will contain such additional terms and conditions as the administrator deems appropriate.

Certain Adjustments. In the event of certain changes in our capitalization, to prevent diminution or enlargement of the benefits or potential benefits available under our 2018 Plan, the administrator will adjust the number and class of shares that may be delivered under our 2018 Plan and/or the number, class and price of shares covered by each outstanding award, and the numerical share limits set forth in our 2018 Plan.

Dissolution or Liquidation. In the event of our proposed liquidation or dissolution, the administrator will notify participants as soon as practicable and all awards will terminate immediately prior to the consummation of such proposed transaction.

Merger or Change in Control. Our 2018 Plan provides that in the event of a merger or change in control, as defined under our 2018 Plan, each outstanding award will be treated as the administrator determines, without a participant's consent. The administrator is not required to treat all awards or participants similarly.

In the event that a successor corporation or its parent or subsidiary does not assume or substitute an equivalent award for any outstanding award, then such award will fully vest, all restrictions on such award will lapse, all performance goals or other vesting criteria applicable to such award will be deemed achieved at 100% of target levels and all other terms and conditions met and such award will become fully exercisable, if applicable. If an option or stock appreciation right is not assumed or substituted, the administrator will notify the participant in writing or electronically that such option or stock appreciation right will be exercisable for a period of time determined by the administrator in its sole discretion and the option or stock appreciation right will terminate upon the expiration of such period.

In the event of a change in control, with respect to awards granted to an outside director, his or her options and stock appreciation rights, if any, will vest fully and become immediately exercisable, all restrictions on his or her restricted stock and restricted stock units will lapse and all performance goals or other vesting requirements

for his or her performance shares and units will be deemed achieved at 100% of target levels, and all other terms and conditions met.

Amendment; Termination. The administrator has the authority to amend, alter, suspend or terminate our 2018 Plan provided such action does not materially impair the existing rights of any participant. Our 2018 Plan automatically will terminate in 2027, unless we terminate it sooner. No additional awards may be granted under the 2018 Plan following its termination or expiration.

Fiscal Year 2018 Employee Stock Purchase Plan

Prior to the effectiveness of this offering, our board of directors intends to adopt, and we expect our stockholders will approve, our ESPP. Our ESPP will be effective on the business day immediately prior to the effective date of the registration statement of which this prospectus forms a part. We believe that allowing our employees to participate in our ESPP provides them with a further incentive towards ensuring our success and accomplishing our corporate goals.

Authorized Shares. A total of shares of our common stock will be available for sale under our ESPP. The number of shares of our common stock that will be available for sale under our ESPP also includes an annual increase on the first day of each fiscal year beginning on August 1, 2018, equal to the least of:

- shares;
- 1% of the outstanding shares of our common stock as of the last day of the immediately preceding fiscal year; or
- such other amount as the administrator may determine.

Plan Administration. Our board of directors, or a committee appointed by our board of directors will administer our ESPP. We expect our compensation committee to administer our ESPP. The administrator will have full and exclusive discretionary authority to construe, interpret, and apply the terms of the ESPP, to designate separate offerings under the ESPP, to designate our subsidiaries and affiliates as participating in the ESPP, to determine eligibility, to adjudicate all disputed claims filed under the ESPP and to establish procedures that it deems necessary for the administration of the ESPP.

Eligibility. Generally, all of our employees will be eligible to participate if they are employed by us, or any participating subsidiary, for at least 20 hours per week and more than five months in any calendar year.

However, an employee may not be granted rights to purchase shares of our common stock under our ESPP if such employee:

- immediately after the grant would own capital stock possessing 5% or more of the total combined voting power or value of all classes of our capital stock; or
- hold rights to purchase shares of our common stock under all of our employee stock purchase plans that accrue at a rate that exceeds $25,000 worth of shares of our common stock for each calendar year.

Offering Periods. Our ESPP includes a component that allows us to make offerings intended to qualify under Section 423 of the Internal Revenue Code and a component that allows us to make offerings not intended to qualify under Section 423 of the Internal Revenue Code to designated companies, as described in our ESPP. Our ESPP provides for 24-month offering periods. The offering periods are scheduled to start on the first trading day on or after June 15 and December 15 of each year, except for the first offering period, which will commence on the first trading day on or after the date of effectiveness of the registration statement of which this prospectus forms a part. Each offering period will include four purchase periods, which will be the approximately 6-month period commencing after one exercise date and ending with the next exercise date.

Contributions. Our ESPP permits participants to purchase shares of our common stock through payroll deductions of up to 15% of their eligible compensation. A participant may purchase a maximum of 3,000 shares of our common stock during a purchase period.

Exercise of Purchase Right. Amounts deducted and accumulated by the participant are used to purchase shares of our common stock at the end of each 6-month purchase period. The purchase price of the shares will be 85% of the lower of the fair market value of our common stock on the first trading day of each offering period or on the exercise date. If the fair market value of our common stock on the exercise date is less than the fair market value on the first trading day of the offering period, participants will be withdrawn from the current offering period following their purchase of shares of our common stock on the purchase date and will be automatically re-enrolled in a new offering period. Participants may end their participation at any time during an offering period and will be paid their accrued contributions that have not yet been used to purchase shares of our common stock. Participation ends automatically upon termination of employment with us.

Non-Transferability. A participant may not transfer rights granted under our ESPP other than by will or the laws of descent and distribution.

Merger or Change in Control. Our ESPP provides that in the event of a merger or change in control, as defined under our ESPP, a successor corporation may assume or substitute each outstanding purchase right. If the successor corporation refuses to assume or substitute for the outstanding purchase right, the offering period then in progress will be shortened, and a new exercise date will be set that will be before the date of the proposed merger or change in control. The administrator will notify each participant that the exercise date has been changed and that the participant's option will be exercised automatically on the new exercise date unless prior to such date the participant has withdrawn from the offering period.

Amendment; Termination. The administrator has the authority to amend, suspend or terminate our ESPP at any time and for any reason. Our ESPP automatically will terminate in 2037, unless we terminate it sooner.

2007 Stock Plan

In September 2007, our board of directors adopted, and our stockholders approved our 2007 Plan. Our 2007 Plan was most recently amended effective August 31, 2017. We expect to terminate our 2007 Plan in connection with our adoption of the 2018 Plan and that no additional awards will be granted under our 2007 Plan thereafter. However, the terms of our 2007 Plan will continue to govern any outstanding awards thereunder. Our 2007 Plan provides for the grant of incentive stock options, within the meaning of Section 422 of the Internal Revenue Code, to our employees and any parent and subsidiary corporations' employees, and for the grant of nonstatutory stock options and stock purchase rights to our employees, directors and consultants and our parent and subsidiary corporations' employees and consultants.

Authorized Shares. As of January 31, 2018, a total of 57,597,368 shares of our common stock was authorized under our 2007 Plan, of which options to purchase 22,424,824 shares of our common stock were outstanding and options to purchase 5,562,904 shares of our common stock were reserved for future issuance. The maximum number of shares that may be issued upon the exercise of incentive stock options under our 2007 Plan is 57,597,368, plus, to the extent allowable under Section 422 of the Internal Revenue Code, any shares of our common stock that become available for future issuance under our 2007 Plan.

Plan Administration. Our board of directors or a committee appointed by our board of directors administers the 2007 Plan. We anticipate that the compensation committee of our board of directors will administer our 2007 Plan following the completion of this offering. Subject to the provisions of our 2007 Plan, the administrator has the power to administer our 2007 Plan, including, but not limited to: the power to interpret the terms of our 2007 Plan and awards granted under it; to create, amend and revoke rules relating to our 2007 Plan, including creating sub-plans; and to determine the terms of the awards, including the exercise price, the number of shares subject to

each such award, the exercisability of the awards, and the form of consideration, if any, payable upon exercise of an award. The administrator also has the authority to modify or amend existing awards to reduce or increase their exercise price, to allow participants the opportunity to transfer outstanding awards to family members, as permitted by Rule 701 of the Securities Act, and to institute an exchange program by which outstanding options may be surrendered in exchange for options of the same type which may have a lower or higher exercise price and different terms, options of a different type, and/or cash, and/or by which the exercise price of outstanding options is reduced.

Stock Options. Stock options may be granted under our 2007 Plan. The exercise price per share and term of a stock option granted under our 2007 Plan is determined by the administrator. The exercise price per share of any option granted under our 2007 Plan must at least be equal to the fair market value of a share of our common stock on the date of grant, and the term of any stock option granted under our 2007 Plan may not exceed 10 years. However, with respect to any incentive stock option granted to a person who owns more than 10% of the voting power of all classes of our outstanding stock, the incentive stock option's term must not exceed five years, and its exercise price per share must equal at least 110% of the fair market value of a share of our common stock on the grant date. The administrator will determine the methods of payment of the exercise price of an option, which may include cash, shares or other property acceptable to the administrator, as well as other types of consideration permitted by applicable law. After the termination of service of a participant, he or she generally may exercise the vested portion of his or her option for 12 months if termination is due to death or disability or for three months in all other cases. However, in no event may an option be exercised later than the expiration of its term. Subject to the provisions of our 2007 Plan, the administrator determines the other terms of the options.

Stock Purchase Rights. Stock purchase rights may be granted under our 2007 Plan. Stock purchase rights granted under our 2007 Plan are grants of rights to purchase shares of our common stock that are subject to various restrictions, including restrictions on transferability and forfeiture provisions. After the administrator determines that it will offer stock purchase rights, it advises the purchaser of the terms, conditions and restrictions related to the offer, including the number of shares that the purchaser is entitled to purchase, the price to be paid and the time within which the purchaser must accept such offer. A purchaser accepts the offer by execution of a restricted share purchase agreement in the form determined by the administrator. Once the stock purchase right is exercised, the purchaser will have rights equivalent to a shareholder, subject to such forfeiture conditions, rights of repurchase or other restrictions that the administrator may determine and set forth in the award agreement.

Non-Transferability of Awards. Unless the administrator provides otherwise, our 2007 Plan generally does not allow for the transfer of awards other than by will or the laws of descent or distribution, and only the recipient of an option may exercise an award during his or her lifetime.

Certain Adjustments. In the event of certain changes in our capitalization, to prevent diminution or enlargement of the benefits or potential benefits available under our 2007 Plan, the administrator will adjust the number and class of shares that may be delivered under the 2007 Plan and/or the number, class and price of shares covered by each outstanding award.

Dissolution or Liquidation. In the event of our proposed liquidation or dissolution, the administrator will notify participants as soon as practicable prior to the effective date of such proposed transactions and all awards will terminate immediately prior to the completion of such proposed transaction.

Merger or Change in Control. Our 2007 Plan provides that, in the event of a merger or change in control, as defined under our 2007 Plan, each outstanding award may be assumed or substituted for an equivalent award. In the event that awards are not assumed or substituted for, then the vesting of outstanding awards will be accelerated, and stock options will become exercisable in full prior to such transaction. In addition, if an option is not assumed or substituted in the event of a merger or change in control, the administrator will notify the participant that such award will be fully vested and exercisable for a specified period prior to the transaction, and

such award will terminate upon the expiration of such period for no consideration, unless otherwise determined by the administrator.

Amendment, Termination. The administrator has the authority to amend, suspend or terminate the 2007 Plan at any time, provided such action does not impair the existing rights of any participant unless the participant and administrator mutually agree otherwise. Following the expected termination of our 2007 Plan in connection with this offering, no additional awards will be granted under our 2007 Plan.

Employee Incentive Compensation Plan

Our board of directors has adopted an Employee Incentive Compensation Plan, or the Incentive Compensation Plan. Our Incentive Compensation Plan allows our compensation committee to provide cash incentive awards to employees selected by our compensation committee, including our named executive officers, based upon performance goals established by our compensation committee. Pursuant to the Incentive Compensation Plan, our compensation committee, in its sole discretion, establishes a target award for each participant and a bonus pool, with actual awards payable from such bonus pool, with respect to the applicable performance period.

Under our Incentive Compensation Plan, our compensation committee determines the performance goals applicable to any award, which goals may include, without limitation, the attainment of research and development milestones, billings, bookings, business divestitures and acquisitions, cash flow, cash position, contract awards or backlog, customer-related measures, customer retention rates, business unit or division earnings (which may include any calculation of earnings, including but not limited to earnings before interest and taxes, earnings before taxes, earnings before interest, taxes, depreciation and amortization, earnings before taxes and net earnings), earnings per share, employee retention, employee mobility, expenses, geographic expansion, gross margin, growth in stockholder value relative to the moving average of the S&P 500 Index or another index, hiring targets, internal rate of return, inventory turns, inventory levels, market share, milestone achievements, net billings, net income, net profit, net revenue margin, net sales, new customers, new product development, new product invention or innovation, number of customers, operating cash flow, operating expenses, operating income, operating margin, origination volume, overhead or other expense reduction, product defect measures, product development, product release timelines, productivity, profit, return on assets, return on capital, return on equity, return on investment, return on sales, revenue, revenue growth, sales efficiency, sales results, sales growth, stock price, time to market, total stockholder return, units sold (total and new) working capital, and individual objectives such as management by objectives, peer reviews or other subjective or objective criteria. The performance goals may differ from participant to participant and from award to award.

Our compensation committee administers our Incentive Compensation Plan. The administrator of our Incentive Compensation Plan may, in its sole discretion and at any time, increase, reduce or eliminate a participant's actual award, and/or increase, reduce or eliminate the amount allocated to the bonus pool for a particular performance period. The actual award may be below, at or above a participant's target award, in the discretion of the administrator. The administrator may determine the amount of any increase, reduction or elimination on the basis of such factors as it deems relevant, and it is not required to establish any allocation or weighting with respect to the factors it considers.

Actual awards will be paid in cash (or its equivalent) in a single lump sum only after they are earned, which usually requires continued employment through the date the actual award is paid. The compensation committee reserves the right to settle an actual award with a grant of an equity award under the Company's then-current equity compensation plan, which equity award may have such terms and conditions, as the compensation committee determines. Payment of awards occurs as soon as administratively practicable after they are earned, but no later than the dates set forth in our Incentive Compensation Plan.

Our board of directors and our compensation committee have the authority to amend, alter, suspend or terminate our Incentive Compensation Plan, provided such action does not impair the existing rights of any participant with respect to any earned awards.

401(k) Plan

We maintain a tax-qualified retirement plan, or the 401(k) plan, that provides eligible employees with an opportunity to save for retirement on a tax-advantaged basis. Eligible employees are able to participate in the 401(k) plan as of the first day of the month following the date they meet the 401(k) plan's eligibility requirements, and participants are able to defer up to 100% of their eligible compensation subject to applicable annual Internal Revenue Code limits. All participants' interests in their deferrals are 100% vested when contributed. We have not made any matching contributions to the 401(k) plan to date.

Limitation on Liability and Indemnification Matters

Our amended and restated certificate of incorporation and amended and restated bylaws, each to be effective immediately prior to the completion of this offering, will provide that we will indemnify our directors and officers and may indemnify our employees and other agents, to the fullest extent permitted by the Delaware General Corporation Law, which prohibits our amended and restated certificate of incorporation from limiting the liability of our directors for the following:

- any breach of the director's duty of loyalty to us or to our stockholders;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or unlawful stock repurchases or redemptions; and
- any transaction from which the director derived an improper personal benefit.

If Delaware law is amended to authorize corporate action further eliminating or limiting the personal liability of a director, then the liability of our directors will be eliminated or limited to the fullest extent permitted by Delaware law, as so amended. Our amended and restated certificate of incorporation will not eliminate a director's duty of care and in appropriate circumstances, equitable remedies, such as injunctive or other forms of non-monetary relief, will remain available under Delaware law. This provision also will not affect a director's responsibilities under any other laws, such as the federal securities laws or other state or federal laws. Under our amended and restated bylaws, we will also be empowered to purchase insurance on behalf of any person whom we are required or permitted to indemnify.

In addition to the indemnification required in our amended and restated certificate of incorporation and amended and restated bylaws, we have entered into and expect to continue to enter into agreements to indemnify each of our current directors, officers and some employees. With specified exceptions, these agreements provide indemnification for certain expenses and liabilities incurred in connection with any action, suit, proceeding or alternative dispute resolution mechanism, or hearing, inquiry or investigation that may lead to the foregoing, to which they are a party, or are threatened to be made a party, by reason of the fact that they are or were a director, officer, employee, agent or fiduciary of our company, or any of our subsidiaries, by reason of any action or inaction by them while serving as an officer, director, agent, or fiduciary, or by reason of the fact that they were serving at our request as a director, officer, employee, agent or fiduciary of another entity. In the case of an action or proceeding by, or in the right of, our company or any of our subsidiaries, no indemnification will be provided for any claim where a court determines that the indemnified party is prohibited from receiving indemnification. Our directors who are affiliated with venture capital funds also have certain rights of indemnification provided by their venture capital funds and the affiliates of those funds (which we refer to as the fund indemnitors). We have agreed to indemnify the fund indemnitors to the extent of any claims asserted against the fund indemnitors that arise solely from the status or conduct of these directors in their capacity as our

directors, which indemnification agreements will terminate upon the completion of this offering. We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. A stockholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. Insofar as we may provide indemnification for liabilities arising under the Securities Act to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. There is no pending litigation or proceeding naming any of our directors or officers as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In addition to the compensation arrangements discussed in the sections titled "Management" and "Executive Compensation," the following is a description of each transaction since August 1, 2014 and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amount involved exceeded or will exceed $120,000; and
- any of our directors, executive officers or holders of more than 5% of our outstanding capital stock, or any immediate family member of, or person sharing the household with, any of these individuals or entities, had or will have a direct or indirect material interest.

Series D Redeemable Convertible Preferred Stock Financing

From July 2015 through September 2015, we sold an aggregate of 18,404,496 shares of our Series D redeemable convertible preferred stock at a purchase price of $5.9768 per share, for an aggregate purchase price of $110.0 million, pursuant to our Series D redeemable convertible preferred stock financing.

Each share of our Series D redeemable convertible preferred stock will convert automatically into one share of our common stock immediately prior to the completion of this offering.

The purchasers of our Series D redeemable convertible preferred stock are entitled to specified registration rights. For additional information, see "Description of Capital Stock—Registration Rights."

The following table summarizes purchases of our Series D redeemable convertible preferred stock by related persons:

Stockholder	Shares of Series D Preferred Stock	Total Purchase Price
Entities Affiliated with TPG(1)	13,719,716	$81,999,999

(1) Affiliates of TPG holding our securities whose shares are aggregated for purposes of reporting share ownership information are TPG Zookeeper (A), LP and TPG Zookeeper (B), LP. Nehal Raj, a member of our board of directors, is a Partner at TPG.

Investors' Rights Agreement

We are party to an amended and restated investors' rights agreement dated July 24, 2015 which provides, among other things, that certain holders of our capital stock, including (i) entities affiliated with TPG, where our director Nehal Raj is a Partner, and which such entities hold more than 5% of our outstanding capital stock, (ii) entities affiliated with Jay Chaudhry, our president, chief executive officer and chairman of our board of directors, which entities also hold more than 5% of our outstanding capital stock, (iii) entities affiliated with Mr. Chaudhry's wife, Jyoti Chaudhry, who was a member of our board of directors at the time we entered into such investors' rights agreement, (iv) entities affiliated with Lane Bess, a member of our board of directors, and (v) entities affiliated with Kailash Kailash, who was a member of our board of directors at the time we entered into such investors' rights agreement, have the right to demand that we file a registration statement or request that their shares of our capital stock be covered by a registration statement that we are otherwise filing. See the section titled "Description of Capital Stock—Registration Rights" for additional information regarding these registration rights.

Voting Agreement

We are party to an amended and restated voting agreement dated July 24, 2015 under which certain holders of our capital stock, including (i) entities affiliated with TPG, (ii) entities affiliated with Mr. Chaudhry,

(iii) entities affiliated with Ms. Chaudhry, (iv) entities affiliated with Mr. Bess, (v) entities affiliated with Mr. Kailash, who was a member of our board of directors at the time we entered into such voting agreement and (vi) Amit Sinha, our chief technology officer and executive vice president of engineering and cloud operations and a member of our board of directors, have agreed as to the manner in which they will vote their shares of our capital stock on certain matters, including with respect to the election of directors. Upon the conversion of all outstanding shares of our preferred stock into common stock, which we expect to occur immediately prior to completion of this offering, the amended and restated voting agreement will terminate and none of our stockholders will have any special rights regarding the election or designation of members of our board of directors.

Right of First Refusal

Pursuant to our equity compensation plans and certain agreements with our stockholders, including an amended and restated right of first refusal and co-sale agreement dated July 24, 2015, certain holders of our capital stock, we or our assignees have a right to purchase shares of our capital stock which certain stockholders propose to sell to other parties. This right will terminate upon completion of this offering.

Since August 1, 2014, we have waived our right of first refusal in connection with certain sales of shares of our capital stock, including sales by Manoj Apte, our senior vice president and chief strategy officer, and Dr. Sinha. Our waivers resulted in the purchase of such shares by certain of our stockholders, including entities controlled by Messrs. Chaudhry and Bess, at prices in excess of the estimated fair value of such shares at the time of the transactions. As a result, we recorded stock-based compensation expense of $4.4 million in fiscal 2017 for the difference between the price paid and the estimated fair value on the date of the transaction. See the section titled “Principal Stockholders” for additional information regarding beneficial ownership of our capital stock.

Payment of Hart-Scott-Rodino Filing Fees on Behalf of Mr. Chaudhry

In August 2017, our board of directors approved the payment by us of filing fees in the amount of $125,000 on behalf of Mr. Chaudhry in connection with a filing made under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, as a result of the acquisition by entities controlled by Mr. Chaudhry of shares of our common stock from existing stockholders. Our board of directors also approved reimbursing Mr. Chaudhry for any applicable taxes payable by Mr. Chaudhry as a result of such payment.

Loans to Directors and Executive Officers

We previously made loans to certain of our directors and executive officers, along with certain of our other employees, in connection with their early exercise of options to purchase shares of our common stock. Each such loan was made pursuant to a full recourse promissory note. In connection with each such promissory note, the borrower early exercised options to purchase shares of our common stock, and pledged and assigned to us a security interest in all such shares. Unless any such note is accelerated in accordance with its terms, it terminates upon the earliest to occur of (i) the fixed maturity date specified therein, (ii) prior to the time such note would be prohibited by the Sarbanes-Oxley Act, (iii) following termination of the applicable employee for cause or (iv) upon the occurrence of other events specified therein.

Loans to Amit Sinha

In December 2013, we loaned to Dr. Sinha, our chief technology officer and executive vice president of engineering and cloud operations and a member of our board of directors, $475,000 with interest at a rate per annum of 2.46%, compounded semi-annually, in connection with Dr. Sinha’s early exercise of 500,000 options to purchase shares of our common stock. As of January 31, 2018, the balance of the note was $524,962, including principal and $49,962 of accrued interest.

In May 2015, we loaned to Dr. Sinha $875,000 with interest at a rate per annum of 2.28%, compounded semi-annually, in connection with Dr. Sinha's early exercise of 500,000 options to purchase shares of our common stock. As of January 31, 2018, the balance of the note was $930,320, including principal and $55,320 of accrued interest.

In February 2018, Dr. Sinha repaid the outstanding principal and interest due under each of the loans, and we terminated each of the promissory notes described above.

Loans to William Welch

In December 2014, we loaned to William Welch, our chief operating officer, $773,500 with interest at a rate per annum of 2.57%, compounded semi-annually, in connection with Mr. Welch's early exercise of 650,000 options to purchase shares of our common stock. As of January 31, 2018, the balance of the note was $837,426, including principal and $63,926 of accrued interest.

In April 2015, we loaned to Mr. Welch $612,500 with interest at a rate per annum of 2.54%, compounded semi-annually, in connection with Mr. Welch's early exercise of 350,000 options to purchase shares of our common stock. As of January 31, 2018, the balance of the note was $656,671, including principal and $44,171 of accrued interest.

In February 2016, we loaned to Mr. Welch $879,000 with interest at a rate per annum of 2.17%, compounded semi-annually, in connection with Mr. Welch's early exercise of 300,000 options to purchase shares of our common stock. As of January 31, 2018, the balance of the note was $917,665, including principal and $38,665 of accrued interest.

In February 2018, Mr. Welch repaid the outstanding principal and interest due under each of the loans, and we terminated each of the promissory notes described above.

Executive Advisor Agreement

In June 2014, we entered into an executive advisor agreement for consulting services with Andrew Brown, who has served as a member of our board of directors since October 2015. Pursuant to this agreement, we paid Mr. Brown $50,000 during fiscal 2015, $48,000 during fiscal 2016 and $32,000 during fiscal 2017. The executive advisor agreement was terminated in February 2017.

Transactions with Two Rivers Pictures

In each of fiscal 2016 and 2017, we engaged Two Rivers Pictures, a video production company owned and operated by Garrett Bess, the brother of our director Lane Bess, to produce marketing communications materials for us. The total amount invoiced by Two Rivers Pictures was $34,600 for fiscal 2016 and $127,823 for fiscal 2017 for services provided in each period.

Stock Option Grants to Executive Officers

We have granted stock options to our named executive officers. For a description of these options, see "Executive Compensation—Outstanding Equity Awards as of Fiscal Year End."

Offer Letters

We have entered into offer letters and other arrangements containing compensation, termination and change of control provisions, among others, with certain of our executive officers as described under "Executive Compensation—Named Executive Officer Employment Letters."

We have also entered into offer letters with each of Karen Blasing, Mr. Brown, Scott Darling and Charles Giancarlo in connection with their appointment to our board of directors, as described under "Management—Non-Employee Director Compensation."

In addition, in April 2011, we entered into an employment letter with our director Mr. Bess, pursuant to which Mr. Bess served as our chief operating officer and executive vice president of worldwide sales and field marketing from April 2011 to February 2015. Pursuant to such letter, for the portion of fiscal 2015 that we employed Mr. Bess, we paid him salary and bonus in the amount of $260,257 and non-equity incentive plan compensation equal to $20,724.

Participation in Our Initial Public Offering

Certain entities associated with Messrs. Giancarlo, Bess and Darling and Ms. Blasing, each a member of our board of directors, have indicated an interest in purchasing up to an aggregate of approximately $5.0 million of shares of our common stock in this offering (or an aggregate of shares based on the midpoint of the estimated offering price range set forth on the cover page of this prospectus) at the initial public offering price. Because these indications of interest are not binding agreements or commitments to purchase, the underwriters could determine to sell more, less or no shares to any of these potential investors and any of these potential investors could determine to purchase more, less or no shares in this offering. The underwriters will receive the same discount from any shares sold to these existing stockholders as they will from any other shares sold to the public in this offering. Any shares purchased by such stockholders will be subject to lock-up restrictions described in the section entitled "Shares Eligible for Future Sale."

Indemnification Agreements

We have entered into indemnification agreements with each of our directors and officers. The indemnification agreements and our certificate of incorporation and bylaws require us to indemnify our directors and officers to the fullest extent permitted by Delaware law. See "Executive Compensation—Limitation on Liability and Indemnification Matters."

The underwriting agreement provides for indemnification by the underwriters of us and our directors and executive officers for certain liabilities arising under the Securities Act or otherwise.

Policies and Procedures for Related Party Transactions

Effective upon the completion of this offering, we will have a formal written policy providing that our executive officers, directors, nominees for election as directors, beneficial owners of more than 5% of any class of our common stock and any member of the immediate family of any of the foregoing persons, is not permitted to enter into a related-party transaction with us without the consent of our audit committee, subject to the exceptions described below.

In approving or rejecting any such proposal, our audit committee is to consider the relevant facts and circumstances available and deemed relevant to our audit committee, including, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances, and the extent of the related party's interest in the transaction. Our audit committee has determined that certain transactions will not require audit committee approval, including certain employment arrangements of executive officers, director compensation, transactions with another company at which a related party's only relationship is as a non-executive employee, director or beneficial owner of less than 10% of that company's shares and the aggregate amount involved does not exceed $120,000 in any fiscal year, transactions where a related party's interest arises solely from the ownership of our common stock and all holders of our common stock received the same benefit on a pro rata basis and transactions available to all employees generally.

We believe that we have executed all of the transactions set forth above on terms no less favorable to us than we could have obtained from unaffiliated third parties. It is our intention to ensure that all future transactions between us and our officers, directors and principal stockholders and their affiliates, are approved by the audit committee of our board of directors and are on terms no less favorable to us than those that we could obtain from unaffiliated third parties.

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our capital stock as of January 31, 2018 and as adjusted to reflect the sale of our common stock offered by us in this offering, assuming no exercise by the underwriters of their over-allotment option, for:

- each person, or group of affiliated persons, who beneficially owned more than 5% of our common stock;
- each of our named executive officers;
- each of our directors; and
- all of our executive officers and directors as a group.

We have determined beneficial ownership in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as indicated by the footnotes below, we believe, based on information furnished to us, that the persons and entities named in the table below have sole voting and sole investment power with respect to all shares of common stock that they beneficially owned, subject to applicable community property laws.

Applicable percentage ownership prior to this offering is based on 157,998,166 shares of common stock outstanding as of January 31, 2018, after giving effect to the conversion of all outstanding shares of convertible preferred stock into shares of common stock. In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of such person, we deemed to be outstanding all shares of common stock subject to equity awards held by the person that are currently exercisable or exercisable within 60 days of January 31, 2018. We did not deem such shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o Zscaler, Inc., 110 Rose Orchard Way, San Jose, California 95134.

	Shares Beneficially Owned Prior to the Offering		Shares Beneficially Owned After the Offering	
Name of Beneficial Owner	Number of Shares	%	Number of Shares	%
5% Stockholders:				
Ajay Mangal, as trustee(1)	44,736,801	28.3		
Entities Affiliated with TPG(2)	13,719,716	8.7		
Executive Officers and Directors:				
Jay Chaudhry(3)	40,273,064	25.5		
Remo Canessa(4)	1,500,000	*		
William Welch(5)	1,300,000	*		
Lane Bess(6)	3,123,638	2.0		
Karen Blasing(7)	350,000	*		
Andrew Brown(8)	350,000	*		
Scott Darling	—	*		
Charles Giancarlo(9)	350,000	*		
Nehal Raj(10)	—	*		
Amit Sinha(11)	2,608,589	1.7		
All executive officers and directors as a group (12 persons)(12)	52,043,868	32.3		

* Represents less than 1%.

(1) Consists of (i) 32,349,063 shares held of record by The CJCP Trust for which Mr. Mangal serves as trustee and (ii) 12,387,738 shares held of record by The CKS Trust for which Mr. Mangal serves as trustee. The beneficiaries of The CJCP Trust and The CKS Trust are members of Jay Chaudhry's family. The address for The CJCP Trust and The CKS Trust is c/o The Goldman Sachs Trust Company, 200 Bellevue Parkway, Suite 250, Wilmington, Delaware 19809.

(2) The shares included in the table above represent (i) 11,411,511 shares directly held by TPG Zookeeper (A), L.P., a Delaware limited partnership ("TPG Zookeeper (A)"), and (ii) 2,308,205 shares directly held by TPG Zookeeper (B), L.P., a Delaware limited partnership ("TPG Zookeeper (B)" and, together with TPG Zookeeper (A), the "TPG Funds"). The general partner of each of the TPG Funds is TPG Growth GenPar III, L.P., a Delaware limited partnership, whose general partner is TPG Growth GenPar III Advisors, LLC, a Delaware limited liability company, whose sole member is TPG Holdings I, L.P., a Delaware limited partnership, whose general partner is TPG Holdings I-A, LLC, a Delaware limited liability company, whose sole member is TPG Group Holdings (SBS), L.P., a Delaware limited partnership whose general partner is TPG Group Holdings (SBS) Advisors, LLC, a Delaware limited partnership whose sole member is TPG Group Holdings (SBS) Advisors, Inc., a Delaware corporation ("Group Advisors"). David Bonderman and James G. Coulter are sole shareholders of Group Advisors and therefore may be deemed to be the beneficial owners of the shares held by the TPG Funds. Messrs. Bonderman and Coulter disclaim beneficial ownership of the shares held by the TPG Funds except to the extent of their pecuniary interest therein. The address of the TPG Funds and Messrs. Bonderman and Coulter is c/o TPG Global, LLC, 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102.

(3) Consists of (i) 3,266,993 shares held of record by Mr. Chaudhry, (ii) 36,926,071 shares held of record by Jyoti Chaudhry, (iii) 50,000 shares held of record by The Chaudhry Family Trust dated August 1, 2014 for which Surjit Kaur serves as trustee, (iv) 20,000 shares held of record by The Chaudhry Family Trust f/b/o Manpreet Bains for which Ms. Kaur serves as trustee and (v) 10,000 shares held of record by P. Jyoti Chaudhry Family Trust dated March 1, 2000 for which Ms. Kaur serves as trustee.

(4) Consists of (i) 375,000 shares held of record by Mr. Canessa, all of which may be repurchased by us at the original exercise price as of January 31, 2018 and (ii) 1,125,000 shares subject to options exercisable within 60 days of January 31, 2018, of which 31,250 are fully vested.

(5) Consists of 1,300,000 shares held of record by Mr. Welch, of which 466,668 may be repurchased by us at the original exercise price as of January 31, 2018.

(6) Consists of 3,123,638 shares held of record by the Lane M. and Leticia L. Bess Family Trust UAD 8/16/2006 for which Mr. Bess serves as a trustee.

(7) Consists of (i) 60,000 shares held of record by Ms. Blasing and (ii) 290,000 shares subject to options exercisable within 60 days of January 31, 2018, of which 49,375 shares are fully vested.

(8) Consists of (i) 75,000 shares held of record by the Andrew W.F. Brown 2017 Grantor Retained Annuity Trust, for which Mr. Brown's wife serves as a trustee and (ii) 275,000 shares subject to options exercisable within 60 days of January 31, 2018, of which 136,250 shares are fully vested.

(9) Consists of (i) 269,792 shares held of record by Mr. Giancarlo, of which 247,917 may be repurchased by us at the original exercise price as of January 31, 2018, (ii) 40,104 shares held of record by The 2012 Marielle Christina Giancarlo Trust UAD 12/26/12 for which Mr. Giancarlo serves as a trustee and (iii) 40,104 shares held of record by The 2012 Gianna Marie Giancarlo Trust UAD 12/26/12 for which Mr. Giancarlo serves as a trustee.

(10) Nehal Raj is a Partner at TPG. Mr. Raj has no voting or investment power over, and disclaims beneficial ownership of, the shares held by the TPG Funds listed in footnote (1) above. The address of Mr. Raj is c/o TPG Global, LLC, 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102.

(11) Consists of (i) 1,825,000 shares held of record by the Sinha Revocable Trust dated September 24, 2011 for which Mr. Sinha serves as trustee, of which 156,250 may be repurchased by us at the original exercise price as of January 31, 2018, (ii) 631,589 shares held of record by the ADRR Trust for which Neha Kumar serves as trustee and (iii) 152,000 shares subject to options exercisable within 60 days of January 31, 2018, all of which are fully vested.

(12) Consists of (i) 49,156,868 shares beneficially owned by our executive officers and directors, 1,245,835 shares of which may be repurchased by us at the original exercise price as of January 31, 2018 and (ii) 2,887,000 shares subject to options exercisable within 60 days of January 31, 2018, of which 993,041 shares are fully vested.

Certain entities associated with Messrs. Giancarlo, Bess and Darling and Ms. Blasing, each a member of our board of directors, have indicated an interest in purchasing up to an aggregate of approximately $5.0 million of shares of our common stock in this offering (or an aggregate of shares based on the midpoint of the estimated offering price range set forth on the cover page of this prospectus) at the initial public offering price. Because these indications of interest are not binding agreements or commitments to purchase, the underwriters could determine to sell more, less or no shares to any of these potential investors and any of these potential investors could determine to purchase more, less or no shares in this offering. These indications of interest, however, are not binding agreements or commitments to purchase, the foregoing table and related footnotes do not reflect the potential purchase of any shares in this offering by entities associated with these existing stockholders. If any shares are purchased by such entities, the number of shares of our capital stock beneficially owned by the entities affiliated with these existing stockholders after this offering and the percentage of our capital stock beneficially owned by the entities affiliated with these existing stockholders after this offering will differ from that set forth in the foregoing table.

DESCRIPTION OF CAPITAL STOCK

General

The following is a summary of the rights of our common stock and preferred stock and certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws as they are expected to be in effect immediately prior to the completion of this offering. This summary does not purport to be complete and is qualified in its entirety by the provisions of our amended and restated certificate of incorporation, amended and restated bylaws and amended and restated investors' rights agreement, copies of which are filed as exhibits to the registration statement of which this prospectus forms a part, and to the applicable provisions of Delaware law.

Immediately following the completion of this offering, our authorized capital stock will consist of 1.2 billion shares of capital stock, par value $0.001 per share, of which:

- one billion shares are designated as common stock; and
- two hundred million shares are designated as preferred stock.

Our board of directors is authorized, without stockholder approval, except as required by the listing standards of Nasdaq, to issue an additional shares of our capital stock.

As of January 31, 2018, there were 157,998,166 shares of our common stock outstanding, held by 511 stockholders of record, and no shares of our preferred stock outstanding, assuming the automatic conversion of all outstanding shares of our convertible preferred stock into shares of our common stock effective immediately prior to the completion of this offering.

Common Stock

The holders of common stock are entitled to one vote per share on all matters submitted to a vote of our stockholders and do not have cumulative voting rights. Accordingly, holders of a majority of the shares of common stock entitled to vote in any election of directors may elect all of the directors standing for election. Subject to preferences that may be applicable to any preferred stock outstanding at the time, the holders of outstanding shares of common stock are entitled to receive ratably any dividends declared by our board of directors out of assets legally available. See the section titled "Dividend Policy" for additional information. Upon our liquidation, dissolution or winding up, holders of our common stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preference of any then outstanding shares of preferred stock. Holders of common stock have no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the common stock.

Preferred Stock

After the completion of this offering, no shares of preferred stock will be outstanding, assuming the automatic conversion of all outstanding shares of our convertible preferred stock into 108,751,142 shares of common stock effective immediately prior to the completion of this offering, including the conversion of all of our outstanding shares of Series A, Series B, Series C redeemable and Series D redeemable convertible preferred stock. The number of shares of our common stock to be issued in connection with the anti-dilution adjustment of our Series D redeemable convertible preferred stock depends on the initial public offering price of our common stock. We expect the initial public offering price of our common stock to be between $ and $ per share, as set forth on the cover page of this prospectus. However, the actual initial public offering price may be lower or higher, which would increase or decrease, respectively, the number of shares of our common stock to be issued in connection with the anti-dilution adjustment of our Series D redeemable convertible preferred stock, as described in more detail below. We will not know the initial public offering price and, as a result, the total number of shares of common stock to be issued in connection with the anti-dilution adjustment of these shares of

Series D redeemable convertible preferred stock, until the determination of the actual price per share following the effectiveness of the registration statement of which this prospectus forms a part. If the initial public offering price per share, before deducting underwriting discounts and commissions and estimated offering expenses payable by us, is less than $7.471, then the conversion price for each share of Series D redeemable convertible preferred stock shall be adjusted immediately prior to the conversion of the Series D redeemable convertible preferred stock into common stock in connection with this offering to a conversion price that results in each share of Series D redeemable convertible preferred stock converting into that number of shares (including fractional shares) of common stock as would have a deemed value (or the number of shares of common stock issued upon conversion of one share of Series D redeemable convertible preferred stock multiplied by an assumed initial offering public price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus,) equal to $7.471. However, if the conversion price of the Series D redeemable convertible preferred stock in effect immediately prior to such adjustment would result in such shares of Series D redeemable convertible preferred stock converting into that number of shares (including fractional shares) of common stock as would have a deemed value greater than $7.471, then such anti-dilution adjustment shall not apply. Based on an assumed initial offering public price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, the anti-dilution adjustment of our Series D redeemable convertible preferred stock would be equal to an aggregate of shares of our common stock.

Pursuant to our amended and restated certificate of incorporation to be effective immediately prior to the completion of this offering, our board of directors will have the authority, without further action by the stockholders, to issue from time to time up to two hundred million shares of preferred stock in one or more series. Our board of directors may designate the rights, preferences, privileges and restrictions of the preferred stock, including dividend rights, conversion rights, voting rights, redemption rights, liquidation preference, sinking fund terms and the number of shares constituting any series or the designation of any series. The issuance of preferred stock could have the effect of restricting dividends on the common stock, diluting the voting power of the common stock, impairing the liquidation rights of the common stock or delaying, deterring or preventing a change in control. Such issuance could have the effect of decreasing the market price of the common stock. We currently have no plans to issue any shares of preferred stock.

Option Awards

As of January 31, 2018, we had outstanding options to purchase an aggregate of 22,424,824 shares of our common stock, with a weighted-average exercise price of $3.37 per share, under our 2007 Plan.

Registration Rights

We will pay the registration expenses (other than underwriting discounts, selling commissions and stock transfer taxes) of the holders of the shares registered pursuant to the registrations described below. In an underwritten offering, the underwriters have the right, subject to specified conditions, to limit the number of shares such holders may include. In connection with the completion of this offering, each stockholder that has registration rights agreed not to sell or otherwise dispose of any securities for a period of 180 days after the date of this prospectus, subject to certain terms and conditions. See the section titled “Underwriting” for additional information.

The holders of shares of our convertible preferred stock or their permitted transferees are entitled to certain registration rights with respect to the registration of certain shares of our capital stock under the Securities Act. These rights are provided under the terms of our amended and restated investors’ rights agreement between us and holders of these shares, which was entered into in connection with our convertible preferred stock financings, and include demand registration rights, Form S-3 registration rights and piggyback registration rights. In any registration made pursuant to such rights agreement, all fees, costs and expenses of underwritten registrations, including the reasonable fees of one counsel for the selling stockholders selected by them will be borne by us and

all selling expenses, including estimated underwriting discounts, selling commissions and stock transfer taxes, will be borne by the holders of the shares being registered.

The registration rights terminate upon the earlier to occur of (i) five years following the completion of this offering and (ii) with respect to any particular stockholder, at such time that such stockholder can sell all of its shares during any 90-day period pursuant to Rule 144 of the Securities Act.

Demand Registration Rights

The holders of an aggregate of 107,064,228 shares of our common stock (assuming automatic conversion of all outstanding shares of our convertible preferred stock into shares of common stock immediately prior to the completion of this offering), or their permitted transferees, are entitled to demand registration rights. At any time after 180 days after the effective date of this offering, such holders are entitled to registration rights under the amended and restated investors' rights agreement, provided that the holders of at least 20% of such shares request the offer and sale of their shares, and provided further that such registration of shares would result in aggregate proceeds (after deducting underwriting discounts and commissions) of at least $30.0 million. We are required to effect only two registrations pursuant to this provision of the amended and restated investors' rights agreement. Depending on certain conditions, however, we may defer such registration for up to 90 days two times in any 12-month period. We are not required to effect a requested registration earlier than 180 days after the effective date of this offering.

Piggyback Registration Rights

If we register any of our securities for public sale, the holders of an aggregate of 108,751,142 shares of our common stock (assuming automatic conversion of all outstanding shares of our convertible preferred stock into shares of common stock immediately prior to the completion of this offering) or their permitted transferees are entitled to piggyback registration rights. If we register any of our securities under the Securities Act for our own account or for the account of another security holder, subject to certain exceptions, the holders of these shares will be entitled to notice of the registration and to include their registrable securities in the registration. The underwriters of any underwritten offering have the right to limit the number of shares registered by these holders for marketing reasons, subject to limitations as set forth in the amended and restated investors' rights agreement.

Form S-3 Registration Rights

The holders of an aggregate of 108,751,142 shares of our common stock (assuming automatic conversion of all outstanding shares of our convertible preferred stock into shares of common stock immediately prior to the completion of this offering) or their permitted transferees are also entitled to Form S-3 registration rights. If we are eligible to file a registration statement on Form S-3, these holders have the right, upon written request from holders of these shares, to have such shares registered by us if the proposed aggregate offering price to the public of the shares to be registered by the holders requesting registration is at least $3.0 million, subject to exceptions set forth in the amended and restated investors' rights agreement.

Description of Certain Terms in Our Charter Documents and Delaware Law

Our amended and restated certificate of incorporation and amended and restated bylaws to be effective immediately prior to the completion of this offering will contain provisions that could have the effect of delaying, deferring or discouraging another party from acquiring control of us. These provisions and certain provisions of Delaware law, which are summarized below, could discourage takeovers, coercive or otherwise. These provisions are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us.

Issuance of Undesignated Preferred Stock. As discussed above under "—Preferred Stock," our board of directors will have the ability to designate and issue preferred stock with voting or other rights or preferences that could deter hostile takeovers or delay changes in our control or management.

Limits on Ability of Stockholders to Act by Written Consent or Call a Special Meeting. Our amended and restated certificate of incorporation will provide that our stockholders may not act by written consent. This limit on the ability of stockholders to act by written consent may lengthen the amount of time required to take stockholder actions. As a result, the holders of a majority of our capital stock would not be able to amend the amended and restated bylaws or remove directors without holding a meeting of stockholders called in accordance with the amended and restated bylaws.

In addition, our amended and restated bylaws will provide that special meetings of the stockholders may be called only by the chairperson of the board, our chief executive officer or president (in the absence of a chief executive officer) or a majority of our board of directors. A stockholder may not call a special meeting, which may delay the ability of our stockholders to force consideration of a proposal or for holders controlling a majority of our capital stock to take any action, including the removal of directors.

Advance Requirements for Advance Notification of Stockholder Nominations and Proposals. Our amended and restated bylaws will establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of our board of directors or a committee of the board of directors. These advance notice procedures may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed and may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempt to obtain control of our company.

Board Classification. Our amended and restated certificate of incorporation will provide that our board of directors will be divided into three classes, one class of which is elected each year by our stockholders. The directors in each class will serve for a three-year term. For more information on the classified board of directors, see "Management—Board of Directors." Our classified board of 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.

Election and Removal of Directors. Our amended and restated certificate of incorporation and amended and restated bylaws will contain provisions that establish specific procedures for appointing and removing members of our board of directors. Under our amended and restated certificate of incorporation and amended and restated bylaws, vacancies and newly created directorships on our board of directors may be filled only by a majority of the directors then serving on the board of directors. Under our amended and restated certificate of incorporation and amended and restated bylaws, directors may be removed only for cause by the affirmative vote of the holders of a majority of the shares then entitled to vote at an election of directors.

No Cumulative Voting. The Delaware General Corporation Law provides that stockholders are not entitled to the right to cumulate votes in the election of directors unless our amended and restated certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation and amended and restated bylaws will not expressly provide for cumulative voting. Without cumulative voting, a minority stockholder may not be able to gain as many seats on our board of directors as the stockholder would be able to gain if cumulative voting were permitted. The absence of cumulative voting makes it more difficult for a minority stockholder to gain a seat on our board of directors to influence our board of directors' decision regarding a takeover.

Amendment of Charter Provision. Any amendment of the above provisions in our amended and restated certificate of incorporation would require approval by holders of at least 66 ⅔% of our then outstanding capital stock entitled to vote, voting together as a single class.

Delaware Anti-Takeover Statute. We will be subject to the provisions of Section 203 of the Delaware General Corporation Law regulating corporate takeovers. In general, Section 203 prohibits a publicly held Delaware corporation from engaging, under certain circumstances, in a business combination with an interested stockholder for a period of three years following the date the person became an interested stockholder unless:

- prior to the date of the transaction, our board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, but not the outstanding voting stock owned by the interested stockholder, (1) shares owned by persons who are directors and also officers and (2) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to the date of the transaction, the business combination is approved by our board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 ⅔% of the outstanding voting stock that is not owned by the interested stockholder.

Generally, a business combination includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. 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 outstanding voting stock. We expect the existence of this provision to have an anti-takeover effect with respect to transactions our board of directors does not approve in advance. We also anticipate that Section 203 may discourage attempts that might result in a premium over the market price for the shares of common stock held by stockholders.

The provisions of Delaware law and the provisions of our amended and restated certificate of incorporation and amended and restated bylaws could have the effect of discouraging others from attempting hostile takeovers and as a consequence, they might also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions might also have the effect of preventing changes in our management. It is also possible that these provisions could make it more difficult to accomplish transactions that stockholders might otherwise deem to be in their best interests.

Choice of Forum. Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware will be the exclusive forum for: (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a breach of fiduciary duty; (iii) any action asserting a claim against us arising under the Delaware General Corporation Law, our amended and restated certificate or our amended and restated bylaws; (iv) any action to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws; and (v) any action asserting a claim against us that is governed by the internal-affairs doctrine. Our amended and restated certificate of incorporation further provides that the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

Transfer Agent and Registrar

Upon the completion of this offering, the transfer agent and registrar for our common stock will be American Stock Transfer & Trust Company. The transfer agent's address is 6201 15th Avenue, Brooklyn, New York 11219, and its telephone number is (718) 921-8124.

Exchange Listing

We have applied to list our common stock on Nasdaq under the symbol "ZS".

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock, and we cannot assure you that a liquid trading market for our common stock will develop or be sustained after this offering. Future sales of substantial amounts of shares of common stock, including shares issued upon the exercise of outstanding options, in the public market after this offering, or the possibility of these sales occurring, could adversely affect the prevailing market price for our common stock or impair our ability to raise equity capital in the future. The effect of sales of our common stock in the public market may be exacerbated by the relatively small public float of our common stock following this offering. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of our common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price at such time and our ability to raise equity capital in the future.

Upon the completion of this offering, we will have a total of shares of our common stock outstanding, after giving effect to the automatic conversion of all outstanding shares of our convertible preferred stock into 108,751,142 shares of common stock immediately prior to the completion of this offering and assuming no exercise of outstanding options that were outstanding as of January 31, 2018. Of these outstanding shares, assuming the purchase in full of up to an aggregate of approximately $5.0 million of shares of our common stock in this offering (or an aggregate of shares based on the midpoint of the estimated offering price range set forth on the cover page of this prospectus) by certain entities associated with Charles Giancarlo, Lane Bess, Scott Darling and Karen Blasing, shares of common stock sold in this offering by us, plus any shares sold if the underwriters exercise their over-allotment option in this offering, will be freely tradable in the public market without restriction or further registration under the Securities Act, unless those shares are held by "affiliates," as that term is defined in Rule 144 under the Securities Act.

The remaining outstanding shares of our common stock will be deemed "restricted securities" as defined in Rule 144. Restricted securities may be sold in the public market only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 promulgated under the Securities Act, which rules are summarized below. In addition, holders of substantially all of our equity securities are subject to market standoff agreements or have entered into lock-up agreements with the underwriters under which they have agreed, subject to specific exceptions, not to sell any of our stock for at least 180 days following the date of this prospectus, as described below. As a result of these agreements and the provisions of our amended and restated investors' rights agreement described above under "Description of Capital Stock—Registration Rights," subject to the provisions of Rule 144 or Rule 701, following the expiration of the lock-up period, all shares subject to such provisions and agreements will be available for sale in the public market only if registered or pursuant to an exemption from registration under Rule 144 or Rule 701 under the Securities Act.

Rule 144

In general, under Rule 144 as currently in effect, once we have been subject to public company reporting requirements for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates, is entitled to sell such shares (subject to the requirements of the lock-up agreements, as described below) without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then such person is entitled to sell such shares (subject to the requirements of the lock-up agreements, as described below) without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell upon expiration of the lock-up agreements described above, within any three-month period beginning 90 days after the date of this prospectus, a number of shares that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding, which will equal approximately shares immediately after this offering; or
- the average weekly trading volume of the common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us. Notwithstanding the availability of Rule 144, the holders of substantially all of common stock have entered into lock-up agreements as described below, and their restricted securities will become eligible for sale (subject to the above limitations under Rule 144) upon the expiration of the restrictions set forth in those agreements.

Rule 701

Rule 701, as currently in effect, generally allows a stockholder who purchased shares of our common stock pursuant to a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the immediately preceding 90 days to sell these shares (subject to the requirements of the lock-up agreements, as described below) in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation or notice provisions of Rule 144. Rule 701 also permits affiliates of our company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. However, all holders of Rule 701 shares are required to wait until 90 days after the date of this prospectus (or until such later date that is required by the lock-up agreements, as described below) before selling such shares pursuant to Rule 701.

Lock-Up Agreements

We, all of our directors and officers and holders of substantially all of our common stock, or securities exercisable for or convertible into our common stock outstanding immediately prior to this offering, have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for shares of our common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our common stock,

whether any such transaction described above is to be settled by delivery of shares of our common stock or such other securities, in cash or otherwise, subject to certain exceptions set forth in section titled “Underwriting.”

In addition to the restrictions contained in the lock-up agreements described above, we have entered into agreements with certain security holders, including the amended and restated investors’ rights agreement and our standard form of option agreement and restricted stock purchase agreement, that certain market stand-off provisions imposing restrictions on the ability of such security holders to offer, sell or transfer our equity securities for a period of 180 days following the date of this prospectus.

Registration Rights

The holders of 108,751,142 shares of our common stock (assuming automatic conversion of all outstanding shares of our convertible preferred stock into shares of common stock immediately prior to the completion of this offering), or their permitted transferees, will be entitled to various rights with respect to the registration of these shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares purchased by affiliates. See the section titled "Description of Capital Stock—Registration Rights" for additional information.

Registration Statement on Form S-8

Upon the completion of this offering, we intend to file a registration statement on Form S-8 under the Securities Act to register all of the shares of common stock issued or reserved for issuance under our equity compensation plans. Shares covered by this registration statement will be eligible for sale in the public market, upon the expiration or release from the terms of the lock-up agreements and subject to vesting of such shares. See the section titled "Executive Compensation—Employee Benefit and Stock Plans" for a description of our equity compensation plans.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF THE OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK

The following is a general discussion of the material U.S. federal income tax consequences to non-U.S. holders (as defined below) with respect to their ownership and disposition of our common stock purchased in this offering. This discussion is for general information only, is not tax advice and does not purport to be a complete analysis of all the potential tax considerations. This discussion is based upon the provisions of the U.S. Internal Revenue Code existing and proposed U.S. Treasury Regulations promulgated thereunder, current administrative rulings and judicial decisions, in effect as of the date hereof. These authorities may be changed, possibly retroactively, so as to result in U.S. federal income tax consequences different from those set forth below. In particular, the U.S. Congress is considering significant changes to the U.S. tax code. At this time, it is uncertain whether or when any such tax reform proposals will be enacted into law and the ultimate impact of such legislation on our business and financial results is uncertain.

This discussion does not address the tax considerations arising under the laws of any non-U.S., state or local jurisdiction, or under U.S. federal gift and estate tax laws, except to the limited extent set forth below. In addition, this discussion does not address tax considerations applicable to an investor's particular circumstances or to investors that may be subject to special tax rules, including, without limitation:

- banks, insurance companies or other financial institutions, regulated investment companies or real estate investment trusts;
- persons subject to the alternative minimum tax or the Medicare contribution tax on net investment income;
- tax-exempt organizations or governmental organizations;
- controlled foreign corporations, passive foreign investment companies and corporations that accumulate earnings to avoid U.S. federal income tax;
- brokers or dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- persons that own, or are deemed to own, more than five percent of our capital stock (except to the extent specifically set forth below);
- U.S. expatriates and certain former citizens or long-term residents of the United States;
- partnerships or entities classified as partnerships for U.S. federal income tax purposes or other pass-through entities (and investors therein);
- persons who hold our common stock as a position in a hedging transaction, "straddle," "conversion transaction" or other risk reduction transaction or integrated investment;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- persons who do not hold our common stock as a capital asset within the meaning of Section 1221 of the Internal Revenue Code; or
- persons deemed to sell our common stock under the constructive sale provisions of the Internal Revenue Code.

In addition, if a partnership or entity classified as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner generally will depend on the status of the partner and upon the activities of the partnership. Accordingly, entities classified as partnerships for U.S. federal income tax purposes

and other pass-through entities that hold our common stock, as well as partners or members in such entities, should consult their tax advisors. There can be no assurance that the Internal Revenue Service, or IRS, will not challenge one or more of the tax consequences described herein, and we have not obtained, and do not intend to obtain, an opinion of counsel or ruling from the IRS with respect to the U.S. federal income tax consequences to a non-U.S. holder of the purchase, ownership or disposition of our common stock.

You are urged to consult your tax advisor with respect to the application of the U.S. federal income tax laws to your particular situation, as well as any tax consequences of the purchase, ownership and disposition of our common stock arising under the U.S. federal estate or gift tax rules or under the laws of any state, local, non-U.S., or other taxing jurisdiction or under any applicable tax treaty.

Non-U.S. Holder Defined

For purposes of this discussion, you are a non-U.S. holder (other than a partnership) if you are any holder other than:

- an individual who is a citizen or resident of the United States (for U.S. federal income tax purposes);
- a corporation or other entity taxable as a corporation created or organized in the United States or under the laws of the United States or any political subdivision thereof or other entity treated as such for U.S. federal income tax purposes;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust (x) whose administration is subject to the primary supervision of a U.S. court and which has one or more "U.S. persons" (within the meaning of Section 7701(a)(3) of the Internal Revenue Code) who have the authority to control all substantial decisions of the trust or (y) which has made a valid election to be treated as a U.S. person.

Distributions

As described in the section titled "Dividend Policy," we have never declared or paid cash dividends on our capital stock and do not anticipate paying any dividends on our capital stock in the foreseeable future. However, if we do make distributions on our common stock, those payments will constitute dividends for U.S. tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed both our current and our accumulated earnings and profits, they will constitute a return of capital and will first reduce your basis in our common stock, but not below zero, and then will be treated as gain from the sale of stock as described below under "—Gain on Disposition of Our Common Stock."

Subject to the discussion below on effectively connected income, backup withholding and foreign accounts, any dividend paid to you generally will be subject to U.S. withholding tax either at a rate of 30% of the gross amount of the dividend or such lower rate as may be specified by an applicable income tax treaty. In order to receive a reduced treaty rate, you must provide us with an IRS Form W-8BEN, IRS Form W-8BEN-E or other appropriate version of IRS Form W-8 certifying qualification for the reduced rate. A non-U.S. holder of shares of our common stock eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the non-U.S. holder's behalf, the non-U.S. holder will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries.

Dividends received by you that are effectively connected with your conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, attributable to a permanent establishment maintained by you in the United States) are generally exempt from such withholding tax. In order to obtain this exemption, you must

provide us with an IRS Form W-8ECI or other applicable IRS Form W-8 properly certifying such exemption. Such effectively connected dividends, although not subject to withholding tax, are taxed at the same graduated rates applicable to U.S. persons, net of certain deductions and credits. In addition, if you are a corporate non-U.S. holder, dividends you receive that are effectively connected with your conduct of a U.S. trade or business may also be subject to a branch profits tax at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty. You should consult your tax advisor regarding any applicable tax treaties that may provide for different rules.

If you hold our common stock through a financial institution or other agent acting on your behalf, you will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries. You may be eligible to obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Gain on Disposition of Our Common Stock

Subject to the discussion below regarding backup withholding and foreign accounts, you generally will not be required to pay U.S. federal income tax on any gain realized upon the sale or other disposition of our common stock unless:

- the gain is effectively connected with your conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, the gain is attributable to a permanent establishment maintained by you in the United States);
- you are a non-resident alien individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs and certain other conditions are met; or
- our common stock constitutes a United States real property interest by reason of our status as a "United States real property holding corporation," or USRPHC, for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding your disposition of, or your holding period for, our common stock.

We believe that we are not currently and will not become a USRPHC for U.S. federal income tax purposes, and the remainder of this discussion so assumes. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property relative to the fair market value of our other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we become a USRPHC, however, as long as our common stock is regularly traded on an established securities market, such common stock will be treated as U.S. real property interests only if you actually or constructively hold more than five percent of such regularly traded common stock at any time during the shorter of the five-year period preceding your disposition of, or your holding period for, our common stock.

If you are a non-U.S. holder described in the first bullet above, you will be required to pay tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates, and a corporate non-U.S. holder described in the first bullet above also may be subject to the branch profits tax at a 30% rate, or such lower rate as may be specified by an applicable income tax treaty. If you are an individual non-U.S. holder described in the second bullet above, you will be required to pay a flat 30% tax (or such lower rate specified by an applicable income tax treaty) on the gain derived from the sale, which tax may be offset by U.S. source capital losses for the year (provided you have timely filed U.S. federal income tax returns with respect to such losses). You should consult any applicable income tax or other treaties that may provide for different rules.

Federal Estate Tax

Our common stock beneficially owned by an individual who is not a citizen or resident of the United States (as defined for U.S. federal estate tax purposes) at the time of their death will generally be includable in the

decedent's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Backup Withholding and Information Reporting

Generally, we must report annually to the IRS the amount of dividends paid to you, your name and address and the amount of tax withheld, if any. A similar report will be sent to you. Pursuant to applicable income tax treaties or other agreements, the IRS may make these reports available to tax authorities in your country of residence.

Payments of dividends or of proceeds on the disposition of stock made to you may be subject to information reporting and backup withholding at a current rate of 24% unless you establish an exemption, for example, by properly certifying your non-U.S. status on an IRS Form W-8BEN, IRS Form W-8BEN-E or another appropriate version of IRS Form W-8. Notwithstanding the foregoing, backup withholding and information reporting may apply if either we or a paying agent has actual knowledge, or reason to know, that such holder is a U.S. person.

Backup withholding is not an additional tax; rather, the U.S. federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may generally be obtained from the IRS, provided that the required information is furnished to the IRS in a timely manner.

Foreign Account Tax Compliance

The Foreign Account Tax Compliance Act, or FATCA, imposes withholding tax at a rate of 30% on dividends on and gross proceeds from the sale or other disposition of our common stock paid to "foreign financial institutions" (as specially defined under these rules), unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding the U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or otherwise establishes an exemption. FATCA also generally imposes a U.S. federal withholding tax of 30% on dividends on and gross proceeds from the sale or other disposition of our common stock paid to a "non-financial foreign entities" (as specially defined for purposes of these rules) unless such entity provides the withholding agent with a certification identifying certain substantial direct and indirect U.S. owners of the entity, certifies that there are none or otherwise establishes an exemption. The withholding provisions under FATCA generally apply to dividends on our common stock, and under current transition rules, are expected to apply with respect to the gross proceeds from the sale or other disposition of our common stock on or after January 1, 2019. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. An intergovernmental agreement between the United States and an applicable foreign country may modify the requirements described in this paragraph. Non-U.S. holders should consult their tax advisors regarding the possible implications of this legislation on their investment in our common stock.

EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS TAX ADVISOR REGARDING THE PARTICULAR U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. TAX CONSEQUENCES OF PURCHASING, HOLDING AND DISPOSING OF OUR COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS.

UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for which Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares indicated below:

Underwriters	Number of Shares
Morgan Stanley & Co. LLC	
Goldman Sachs & Co. LLC	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Barclays Capital Inc.	
Deutsche Bank Securities Inc.	
Credit Suisse Securities (USA) LLC	
UBS Securities LLC	
Robert W. Baird & Co. Incorporated	
BTIG, LLC	
Needham & Company, LLC	
Stephens Inc.	
Total	

The underwriters and the representatives are collectively referred to as the “underwriters” and the “representatives,” respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters’ over-allotment option described below. The offering of the shares of common stock by the underwriters is subject to receipt and acceptance and subject to the underwriters’ right to reject any order in whole or in part.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an over-allotment option, exercisable for 30 days from the date of this prospectus, to purchase up to additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions, solely to cover over-allotments, if any. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter’s name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

Certain entities associated with Charles Giancarlo, Lane Bess, Scott Darling and Karen Blasing, each a member of our board of directors, have indicated an interest in purchasing up to an aggregate of approximately $5.0 million of shares of our common stock in this offering (or an aggregate of shares based on the midpoint of the estimated offering price range set forth on the cover page of this prospectus) at the initial public offering price.

Because these indications of interest are not binding agreements or commitments to purchase, the underwriters could determine to sell more, less or no shares to any of these potential investors and any of these potential investors could determine to purchase more, less or no shares in this offering. The underwriters will receive the same discount from any shares sold to these existing stockholders as they will from any other shares sold to the public in this offering.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' over-allotment option.

	Per Share	Total	
		No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discounts and commissions to be paid by us:			
Proceeds, before expenses, to us	$	$	$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $. We have also agreed to reimburse the underwriters for expenses relating to clearance of this offering with the Financial Industry Regulatory Authority up to $40,000.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

We have applied to list our common stock on Nasdaq under the trading symbol "ZS".

We, all of our directors and officers and the holders of substantially all of our common stock, or securities exercisable for or convertible into our common stock outstanding immediately prior to this offering, have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus (the "restricted period"):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for shares of our common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our common stock,

whether any such transaction described above is to be settled by delivery of shares of our common stock or such other securities, in cash or otherwise. In addition, we and each such person have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

The restrictions described in the immediately preceding paragraph do not apply to our directors, officers and securityholders with respect to:

- transactions relating to shares of our common stock or other securities acquired in this offering or in open market transactions after the completion of this offering; provided that no filing or other public announcement under Section 16(a) of the Exchange Act or otherwise shall be required or shall be voluntarily made in connection with subsequent sales of our common stock or other securities acquired either in this offering or in such open market transactions;

- transfers of shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock (i) as a bona fide gift, or for bona fide estate planning purposes, upon death or by will, testamentary document or intestate succession, (ii) to an immediate family member of one of our stockholders or to any trust for the direct or indirect benefit of one of our stockholders or their immediate family, (iii) not involving a change in beneficial ownership, or (iv) if one of our stockholders is a trust, to any beneficiary of such stockholder or the estate of any such beneficiary; provided that no such transfer or distribution shall be a disposition for value, each recipient of such securities shall execute a lock-up agreement and no filing under Section 16(a) of the Exchange Act reporting a reduction in beneficial ownership of shares of our common stock shall be required or shall be voluntarily made during the restricted period;
- distributions of shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock to stockholders, direct or indirect affiliates (within the meaning set forth in Rule 405 under the Securities Act), current or former partners (general or limited), members or managers of one of our stockholders, as applicable, or to the estates of any such stockholders, affiliates, partners, members or managers; provided that no such transfer or distribution shall be a disposition for value, each recipient of such securities shall execute a lock-up agreement and no filing under Section 16(a) of the Exchange Act reporting a reduction in beneficial ownership of shares of our common stock shall be required or shall be voluntarily made during the restricted period;
- (i) the issuance by us of shares of common stock upon the exercise of options or warrants, or the vesting and settlement of restricted stock units or other rights, insofar as such options, warrants, restricted stock units or other rights are outstanding as of the date of this prospectus pursuant to stock plans or other equity award plans disclosed in this prospectus, provided that the shares of our common stock received upon exercise of such option or warrant, or the vesting and settlement of such restricted stock unit or other right, shall remain subject to a lock-up agreement, or (ii) the transfer to us of shares of our common stock or any securities convertible into our common stock upon a vesting event of our securities or upon the exercise of options, warrants or other equity awards to purchase our securities on a “cashless” or “net exercise” basis to the extent permitted by the instruments representing such options, warrants or other equity awards (including all methods of exercise that would involve a sale of any shares of our common stock relating to options, warrants or other equity awards, whether to cover the applicable exercise price, withholding tax obligations or otherwise), and our cancellation of all or a portion thereof to pay the exercise price and/or withholding tax obligations (provided that in the case of this clause (ii), any filings under Section 16(a) of the Exchange Act shall state the nature and conditions of such transfer); provided that no filing under Section 16(a) of the Exchange Act reporting a reduction in beneficial ownership of shares of our common stock shall be required or shall be voluntarily made during the restricted period;
- the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of our common stock, provided that (i) such plan does not provide for the transfer of our common stock during the restricted period (except as otherwise permitted under a lock-up agreement), and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by or on behalf of us or one of our stockholders regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of our common stock may be made under such plan during the restricted period;
- the transfer of our common stock or any security convertible into or exercisable or exchangeable for our common stock that occurs by operation of law pursuant to a qualified domestic order in connection with a divorce settlement or other court order; provided that each recipient of such securities shall execute a lock-up agreement and any filings under Section 16(a) of the Exchange Act shall state the nature and conditions of such transfer;
- any transfer to us of our common stock or any security convertible into or exercisable or exchangeable for our common stock pursuant to (i) arrangements under which we have the option to repurchase such

shares in the event one of our stockholders ceases to provide services to us, which such shares were issued pursuant to equity awards granted under a stock incentive plan or other equity award plan, which plan is described in this prospectus or (ii) a right of first refusal with respect to transfers of such shares;

- the conversion of our outstanding preferred stock into shares of our common stock prior to or in connection with the consummation of this offering, which conversion is described in this prospectus, provided that any such shares of our common stock received upon such conversion shall be subject to the terms of a lock-up agreement; or
- the transfer of shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock after the completion of this offering pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction that is approved by our board of directors, made to all holders of our common stock involving a change of control (as defined in the lock-up agreements), provided that in the event that the tender offer, merger, consolidation or other such transaction is not completed, our common stock owned by one of our stockholders shall remain subject to the restrictions contained in the lock-up agreements.

Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

We and the several underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

Other Relationships

The underwriters and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory,

investment management, investment research, principal investment, hedging. financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Pricing of the Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representatives. Among the factors that will be considered in determining the initial public offering price are our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Selling Restrictions

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of any shares of our common stock may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares of our common stock may be made at any time under the following exemptions under the Prospectus Directive:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares of our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of our common stock to be offered so as to enable an investor to decide to purchase any shares of our common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended), including by Directive 2010/73/EU, and includes any relevant implementing measure in the Relevant Member State.

This European Economic Area selling restriction is in addition to any other selling restrictions set out below.

United Kingdom

Each underwriter has represented and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, or the FSMA, received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement or the accompanying prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Russia

Under Russian law, shares of common stock may be considered securities of a foreign issuer. Neither we, nor this prospectus, nor shares of our common stock have been, or are intended to be, registered with the Central Bank of the Russian Federation under the Federal Law No. 39-FZ "On Securities Market" dated April 22, 1996 (as amended, the "Russian Securities Law"), and none of the shares of our common stock are intended to be, or may be offered, sold or delivered, directly or indirectly, or offered or sold to any person for reoffering or re-sale, directly or indirectly, in the territory of the Russian Federation or to any resident of the Russian Federation, except pursuant to the applicable laws and regulations of the Russian Federation.

The information provided in this prospectus does not constitute any representation with respect to the eligibility of any recipients of this prospectus to acquire shares of our common stock under the laws of the Russian Federation, including, without limitation, the Russian Securities Law and other applicable legislation.

This prospectus is not to be distributed or reproduced (in whole or in part) in the Russian Federation by the recipients of this prospectus. Recipients of this prospectus undertake not to offer, sell or deliver, directly or indirectly, or offer or sell to any person for reoffering or re-sale, directly or indirectly, shares of our common stock in the territory of the Russian Federation or to any resident of the Russian Federation, except pursuant to the applicable laws and regulations of the Russian Federation.

Recipients of this prospectus understand that respective receipt/acquisition of shares of our common stock is subject to restrictions and regulations applicable from the Russian law perspective.

Switzerland

The shares of common stock may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland. Neither this document nor any other offering or marketing material relating to the offering, us, or the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, or FINMA, and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority, or DFSA. This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, or ASIC, in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001, or the Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons, or the Exempt Investors, who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), “professional investors” (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take into account the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate for their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

New Zealand

The shares of common stock offered hereby have not been offered or sold, and will not be offered or sold, directly or indirectly in New Zealand and no offering materials or advertisements have been or will be distributed in relation to any offer of shares in New Zealand, in each case other than:

- to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or
- to persons who in all the circumstances can properly be regarded as having been selected otherwise than as members of the public; or
- to persons who are each required to pay a minimum subscription price of at least NZ$500,000 for the shares before the allotment of those shares (disregarding any amounts payable, or paid, out of money lent by the issuer or any associated person of the issuer); or
- in other circumstances where there is no contravention of the Securities Act 1978 of New Zealand (or any statutory modification or re-enactment of, or statutory substitution for, the Securities Act 1978 of New Zealand).

Hong Kong

The shares of common stock have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares of common stock has been or may be issued or has been or may be in the possession of any person for the purposes of issuance, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares of common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

No registration pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended), or the FIEL, has been made or will be made with respect to the solicitation of the application for the acquisition of the shares of common stock.

Accordingly, the shares of common stock have not been, directly or indirectly, offered or sold and will not be, directly or indirectly, offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements, and otherwise in compliance with, the FIEL and the other applicable laws and regulations of Japan.

For Qualified Institutional Investors, or QII: Please note that the solicitation for newly-issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of common stock constitutes either a "QII only private placement" or a "QII only secondary distribution" (each as described in Paragraph 1, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the shares of common stock. The shares of common stock may only be transferred to QIIs.

For Non-QII Investors: Please note that the solicitation for newly-issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of common stock constitutes either a "small number private placement" or a "small number private secondary distribution" (each as is described in Paragraph 4, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the shares of common stock. The shares of common stock may only be transferred en bloc without subdivision to a single investor.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares of common stock may not be circulated or distributed, nor may the shares of common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares of common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) the sole purpose of which is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares of common stock pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

LEGAL MATTERS

The validity of the shares of common stock offered hereby will be passed upon for us by Wilson Sonsini Goodrich & Rosati, Professional Corporation, Palo Alto, California. Cooley LLP, San Francisco, California, is acting as counsel to the underwriters.

EXPERTS

The consolidated financial statements as of July 31, 2016 and 2017 and for each of the three years in the period ended July 31, 2017 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of our common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document is not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement is this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. You may obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

As a result of this offering, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with this law, will file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information will be available for inspection and copying at the SEC's public reference facilities and the website of the SEC referred to above. We also maintain a website at www.zscaler.com. Upon the completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on our website is not a part of this prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.

ZSCALER, INC.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of redeemable convertible preferred stock and stockholders' deficit and of cash flows present fairly, in all material respects, the financial position of Zscaler, Inc. and its subsidiaries as of July 31, 2017 and 2016, and the results of their operations and their cash flows for each of the three years in the period ended July 31, 2017 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

San Jose, California

October 2, 2017, except for the change in the manner in which the Company accounts for revenue from contracts with customers as discussed in Note 2 to the consolidated financial statements, as to which the date is December 11, 2017

ZSCALER, INC.
Consolidated Balance Sheets
(in thousands, except per share data)

	July 31, 2016	July 31, 2017	January 31, 2018	Pro forma January 31, 2018 (unaudited)
Assets				
Current assets:				
Cash and cash equivalents	$ 92,842	$ 87,978	$ 71,569	
Accounts receivable, net	24,489	39,052	47,536	
Deferred contract acquisition costs	6,743	10,469	12,271	
Prepaid expenses and other current assets	2,980	5,410	6,754	
Total current assets	127,054	142,909	138,130	
Property and equipment, net	11,108	13,139	16,858	
Deferred contract acquisition costs, noncurrent	14,394	24,193	27,672	
Other noncurrent assets	962	2,661	5,512	
Total assets	$ 153,518	$ 182,902	$ 188,172	
Liabilities, Redeemable Convertible Preferred Stock and Stockholders' (Deficit) Equity				
Current liabilities:				
Accounts payable	$ 1,406	$ 3,763	$ 2,343	
Accrued expenses and other current liabilities	4,403	11,648	11,177	
Accrued compensation	6,362	11,608	10,423	
Liability for early exercise of unvested stock options	7,236	7,972	4,522	
Deferred revenue	58,490	85,468	107,907	
Total current liabilities	77,897	120,459	136,372	
Deferred revenue, noncurrent	7,423	11,151	11,350	
Other noncurrent liabilities	1,531	1,457	1,422	
Total liabilities	86,851	133,067	149,144	
Commitments and contingencies (Note 5)				
Redeemable Convertible Preferred Stock				
Redeemable convertible preferred stock; $0.001 par value; 109,086 shares authorized as of July 31, 2016, July 31, 2017 and January 31, 2018 (unaudited); 108,751 shares issued and outstanding as of July 31, 2016, July 31, 2017 and January 31, 2018 (unaudited); aggregate liquidation preference of $191,880, $201,376 and $206,447 as of July 31, 2016, July 31, 2017 and January 31, 2018 (unaudited), respectively; shares authorized; no shares issued and outstanding as of January 31, 2018, pro forma (unaudited)	191,407	200,977	206,086	$ —
Stockholders' (Deficit) Equity				
Common stock; $0.001 par value; 177,313 shares, 190,000 shares and 190,000 shares authorized as of July 31, 2016, July, 31, 2017 and January 31, 2018 (unaudited), respectively; 45,497 shares, 48,539 shares and 49,247 shares issued and outstanding as of July 31, 2016, July 31, 2017 and January 31, 2018 (unaudited), respectively; shares authorized; 157,998 shares issued and outstanding as of January 31, 2018, pro forma (unaudited)	22	26	28	137
Additional paid-in capital	11,708	18,726	21,036	227,013
Notes receivable from stockholders	(9,914)	(7,878)	(7,755)	(7,755)
Accumulated deficit	(126,556)	(162,016)	(180,367)	(180,367)
Total stockholders' (deficit) equity	(124,740)	(151,142)	(167,058)	$ 39,028
Total liabilities, redeemable convertible preferred stock and stockholders' (deficit) equity	$ 153,518	$ 182,902	$ 188,172	

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

ZSCALER, INC.
Consolidated Statements of Operations
(in thousands, except per share data)

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
				(unaudited)	
Revenue	$ 53,707	$ 80,325	$ 125,717	$ 56,209	$ 84,837
Cost of revenue	14,431	20,127	27,472	12,441	16,950
Gross profit	39,276	60,198	98,245	43,768	67,887
Operating expenses:					
Sales and marketing	32,191	56,702	79,236	34,912	54,038
Research and development	15,034	20,940	33,561	17,174	17,992
General and administrative	4,469	9,399	20,521	6,140	13,533
Total operating expenses	51,694	87,041	133,318	58,226	85,563
Loss from operations	(12,418)	(26,843)	(35,073)	(14,458)	(17,676)
Other income (expense), net	(181)	(127)	490	196	409
Loss before income taxes	(12,599)	(26,970)	(34,583)	(14,262)	(17,267)
Provision for income taxes	233	468	877	367	646
Net loss	$ (12,832)	$ (27,438)	$ (35,460)	$ (14,629)	$ (17,913)
Accretion of Series C and D redeemable convertible preferred stock	(147)	(8,648)	(9,570)	(4,733)	(5,109)
Net loss attributable to common stockholders	$ (12,979)	$ (36,086)	$ (45,030)	$ (19,362)	$ (23,022)
Net loss per share attributable to common stockholders, basic and diluted	$ (0.37)	$ (0.91)	$ (1.03)	$ (0.45)	$ (0.49)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	35,279	39,772	43,832	42,800	46,687
Pro forma net loss per share, basic and diluted (unaudited)			$ (0.23)		$ (0.12)
Weighted-average shares used in computing pro forma net loss per share, basic and diluted (unaudited)			152,583		155,438

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

ZSCALER, INC.
Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit
(in thousands)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Notes Receivable From Stockholders	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance as of August 1, 2014	**90,347**	**$ 72,929**	**40,172**	**$ 13**	**$ 9,895**	**$ (3,270)**	**$ (86,286)**	**$ (79,648)**
Issuance of preferred stock, net of issuance costs of $274	14,221	84,726	—	—	—	—	—	—
Accretion of Series C and D redeemable convertible preferred stock	—	147	—	—	(147)	—	—	(147)
Issuance of common stock upon exercise of stock options	—	—	1,294	1	474	—	—	475
Issuance of common stock related to early exercised stock options	—	—	4,155	—	—	—	—	—
Repurchases of unvested common stock	—	—	(1,409)	—	—	513	—	513
Repayments of notes receivable from stockholders	—	—	—	—	—	338	—	338
Additions to notes receivable related to early exercised stock options	—	—	—	—	—	(6,703)	—	(6,703)
Vesting of early exercised stock options	—	—	—	4	1,107	—	—	1,111
Stock-based compensation	—	—	—	—	1,561	—	—	1,561
Net loss	—	—	—	—	—	—	(12,832)	(12,832)
Balance as of July 31, 2015	**104,568**	**157,802**	**44,212**	**18**	**12,890**	**(9,122)**	**(99,118)**	**(95,332)**
Issuance of preferred stock, net of issuance costs of $43	4,183	24,957	—	—	—	—	—	—
Accretion of Series C and D redeemable convertible preferred stock	—	8,648	—	—	(8,648)	—	—	(8,648)
Issuance of common stock upon exercise of stock options	—	—	1,272	1	990	—	—	991
Issuance of common stock related to early exercised stock options	—	—	1,890	—	—	—	—	—
Repurchases of unvested common stock	—	—	(1,877)	—	—	2,931	—	2,931
Repayments of notes receivable from stockholders	—	—	—	—	—	833	—	833
Additions to notes receivable related to early exercised stock options	—	—	—	—	—	(4,556)	—	(4,556)
Vesting of early exercised stock options	—	—	—	3	2,859	—	—	2,862
Stock-based compensation	—	—	—	—	3,617	—	—	3,617
Net loss	—	—	—	—	—	—	(27,438)	(27,438)
Balance as of July 31, 2016	**108,751**	**191,407**	**45,497**	**22**	**11,708**	**(9,914)**	**(126,556)**	**(124,740)**
Accretion of Series C and D redeemable convertible preferred stock	—	9,570	—	—	(9,570)	—	—	(9,570)
Issuance of common stock upon exercise of stock options	—	—	2,020	2	2,969	—	—	2,971
Issuance of common stock related to early exercised stock options	—	—	1,172	—	—	—	—	—
Repurchases of unvested common stock	—	—	(150)	—	—	263	—	263
Repayments of notes receivable from stockholders	—	—	—	—	—	1,856	—	1,856
Additions to notes receivable related to early exercised stock options	—	—	—	—	—	(83)	—	(83)
Vesting of early exercised stock options	—	—	—	2	3,700	—	—	3,702
Stock-based compensation	—	—	—	—	9,919	—	—	9,919
Net loss	—	—	—	—	—	—	(35,460)	(35,460)
Balance as of July 31, 2017	**108,751**	**$ 200,977**	**48,539**	**$ 26**	**$ 18,726**	**$ (7,878)**	**$ (162,016)**	**$ (151,142)**

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

ZSCALER, INC.
Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit (Continued)
(in thousands)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Notes Receivable From Stockholders	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance as of July 31, 2017	**108,751**	**$ 200,977**	**48,539**	**$ 26**	**$ 18,726**	**$ (7,878)**	**$ (162,016)**	**$ (151,142)**
Cumulative effect of accounting change (unaudited)	—	—	—	—	438	—	(438)	—
Accretion of Series C and D redeemable convertible preferred stock (unaudited)	—	5,109	—	—	(5,109)	—	—	(5,109)
Issuance of common stock upon exercise of stock options (unaudited)	—	—	1,261	2	2,169	—	—	2,171
Issuance of common stock related to early exercised stock options (unaudited)	—	—	270	—	—	—	—	—
Repurchases of unvested common stock (unaudited)	—	—	(823)	—	—	214	—	214
Additions to notes receivable related to early exercised stock options (unaudited)	—	—	—	—	—	(91)	—	(91)
Vesting of early exercised stock options (unaudited)	—	—	—	—	1,015	—	—	1,015
Stock-based compensation (unaudited)	—	—	—	—	3,797	—	—	3,797
Net loss (unaudited)	—	—	—	—	—	—	(17,913)	(17,913)
Balance as of January 31, 2018 (unaudited)	**108,751**	**$ 206,086**	**49,247**	**$ 28**	**$ 21,036**	**$ (7,755)**	**$ (180,367)**	**$ (167,058)**

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

ZSCALER, INC.
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
				(unaudited)	
Cash Flows From Operating Activities					
Net loss	$ (12,832)	$ (27,438)	$ (35,460)	$ (14,629)	$ (17,913)
Adjustments to reconcile net loss to cash used in operating activities:					
Depreciation and amortization expense	2,854	4,872	6,840	3,271	3,910
Amortization of deferred contract acquisition costs	4,008	5,515	8,474	3,826	5,932
Stock-based compensation expense	1,561	3,617	9,919	6,750	3,797
Other	(88)	(59)	(89)	(88)	(92)
Changes in operating assets and liabilities:					
Accounts receivable	(4,723)	(6,188)	(14,563)	(7,204)	(8,482)
Deferred contract acquisition costs	(6,919)	(13,502)	(21,999)	(7,365)	(11,213)
Prepaid expenses and other assets	(1,698)	(115)	(2,718)	(1,537)	(1,094)
Accounts payable	(389)	563	2,249	751	(2,211)
Accrued expenses and other liabilities	636	2,085	5,376	802	445
Accrued compensation	1,047	2,601	5,246	(309)	(1,185)
Deferred revenue	13,264	16,133	30,706	13,178	22,638
Net cash used in operating activities	**(3,279)**	**(11,916)**	**(6,019)**	**(2,554)**	**(5,468)**
Cash Flows From Investing Activities					
Purchases of property and equipment	(5,171)	(5,402)	(7,783)	(4,413)	(7,045)
Capitalized internal-use software	(1,534)	(845)	(391)	—	(950)
Change in restricted cash	—	(400)	(168)	—	—
Purchases of marketable securities	(38)	—	—	—	—
Sale of marketable securities	6,148	—	—	—	—
Net cash used in investing activities	**(595)**	**(6,647)**	**(8,342)**	**(4,413)**	**(7,995)**
Cash Flows From Financing Activities					
Proceeds from issuance of preferred stock, net of issuance costs	84,726	24,957	—	—	—
Proceeds from issuance of common stock upon exercise of stock options	475	991	2,971	986	2,171
Proceeds from issuance of common stock related to early exercised stock options	76	782	4,701	—	869
Repurchases of unvested common stock	—	—	—	—	(3,090)
Repayments of notes receivable from stockholders	338	833	1,856	395	—
Borrowings from line of credit	5,500	—	—	—	—
Repayments of line of credit	(5,500)	—	—	—	—
Payments of deferred offering costs	—	—	(31)	—	(2,896)
Net cash provided by (used in) financing activities	**85,615**	**27,563**	**9,497**	**1,381**	**(2,946)**
Net increase (decrease) in cash and cash equivalents	81,741	9,000	(4,864)	(5,586)	(16,409)
Cash and cash equivalents, beginning of period	2,101	83,842	92,842	92,842	87,978
Cash and cash equivalents, end of period	**$ 83,842**	**$ 92,842**	**$ 87,978**	**$ 87,256**	**$ 71,569**
Supplemental Disclosure of Cash Flow Information:					
Cash paid for income taxes	$ 173	$ 319	$ 385	$ 172	$ 267
Supplemental Disclosure of Noncash Investing and Financing Activities:					
Net change in equipment included in accounts payable and accrued expenses	$ —	$ 142	$ 746	$ 33	$ (363)
Accretion of Series C and D redeemable convertible preferred stock	$ 147	$ 8,648	$ 9,570	$ 4,733	$ 5,109
Issuance of notes receivable related to early exercised stock options	$ 6,615	$ 4,373	$ —	$ —	$ —
Repurchases of unvested common stock	$ 513	$ 2,931	$ 263	$ 263	$ 214
Vesting of early exercised stock options	$ 1,111	$ 2,862	$ 3,702	$ 2,021	$ 1,015
Net change in deferred offering costs, accrued but not paid	$ —	$ —	$ 1,157	$ —	$ 203
Capitalized leasehold improvements paid directly by landlord	$ —	$ 1,491	$ —	$ —	$ —

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

ZSCALER, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization

Organization and Description of Business

Zscaler, Inc. ("Zscaler," the "Company," "we," "us," or "our") is a cloud security company that developed a platform incorporating core security functionalities needed to enable users to safely utilize authorized applications and services based on an organization's policies. Our solution is a purpose-built, multi-tenant, distributed cloud security platform that secures access for users and devices to applications and services, regardless of location. We deliver our solutions using a software-as-a-service ("SaaS") business model and sell subscriptions to customers to access our cloud platform, together with related support services. We were incorporated in Delaware in September 2007 and conduct business worldwide, with international locations in Australia, Singapore, U.K., Germany, France and India. Our headquarters are in San Jose, California.

Note 2. Basis of Presentation and Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Zscaler, Inc. and its wholly owned subsidiaries and have been prepared in conformity with accounting principles generally accepted in the United States ("U.S. GAAP"). All intercompany balances and transactions have been eliminated in consolidation.

Fiscal Year

Our fiscal year ends on July 31. References to fiscal 2015, 2016 and 2017 refer to our fiscal years ended July 31, 2015, 2016 and 2017, respectively. Reference to fiscal 2018 refers to our fiscal year ending July 31, 2018.

Unaudited Pro Forma Balance Sheet Information and Pro Forma Net Loss Per Share

The accompanying pro forma consolidated balance sheet information as of January 31, 2018 has been prepared assuming the automatic conversion of all outstanding shares of convertible preferred stock into 108,751,142 shares of common stock pursuant to their conversion rights discussed in Note 6 to our consolidated financial statements. Unaudited pro forma net loss per share for fiscal 2017 and for the six months ended January 31, 2018 has been computed to give effect to the automatic conversion of the convertible preferred stock into common stock as though the conversion had occurred as of the beginning of the period.

Unaudited Interim Consolidated Financial Information

The accompanying interim consolidated balance sheet as of January 31, 2018 and the consolidated statements of operations and cash flows for the six months ended January 31, 2017 and 2018, and the consolidated statement of redeemable convertible preferred stock and stockholders' deficit for the six months ended January 31, 2018 and the related footnote disclosures are unaudited. These unaudited interim consolidated financial statements have been prepared in accordance with U.S. GAAP. In management's opinion, the unaudited interim consolidated financial statements include all adjustments necessary to state fairly our financial position as of January 31, 2018 and the results of operations and cash flows for the six months ended January 31, 2017 and 2018. The financial data and the other information disclosed in these notes to the consolidated financial statements related to these six-month periods are unaudited. The results for the six months ended January 31, 2018 are not necessarily indicative of the operating results expected for the full fiscal 2018 or any future period.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and accompanying notes.

Actual results could differ from these estimates. Such estimates include, but are not limited to, the determination of revenue recognition, deferred revenue, deferred contract acquisition costs, the period of benefit generated from our deferred contract acquisition costs, allowance for doubtful accounts, valuation of common stock options, useful lives of property and equipment, loss contingencies related to litigation and valuation of deferred tax assets. Management bases these estimates and assumptions on historical experience and on various other assumptions that are believed to be reasonable. Actual results could differ significantly from these estimates, and such differences may be material to the consolidated financial statements.

Concentration of Risks

We generate revenue primarily from sale of subscriptions to access our cloud platform, together with related support services. Our sales team, along with our channel partner network of global telecommunications service providers, system integrators and value-added resellers (collectively "channel partners"), sells our services worldwide to organizations of all sizes. Due to the nature of our services and the terms and conditions of our contracts with our channel partners, our business could be affected unfavorably if we are not able to continue our relationships with them.

Our financial instruments that are exposed to concentrations of credit risk consist primarily of cash, cash equivalents and accounts receivable. Although we deposit our cash with multiple financial institutions, the deposits, at times, may exceed federally insured limits. Cash equivalents consist of money market funds which are invested through financial institutions in the United States.

We grant credit to our customers in the normal course of business. We monitor the financial condition of our customers to reduce credit risk.

The following table summarizes 10% or more of the total balance of accounts receivable, net:

	July 31,		January 31,
	2016	2017	2018
			(unaudited)
Channel partner A	16%	17%	18%
Channel partner B	10%	10%	*
Channel partner C	11%	15%	*
Channel partner D	*	*	10%

* Represents less than 10%.

No single customer accounted for 10% or more of revenue in fiscal 2015, 2016, 2017, and for the six months ended January 31, 2017 and 2018.

Revenue Recognition

We elected to early adopt Accounting Standards Codification ("ASC") Topic 606, *Revenue From Contracts With Customers* ("ASC 606"), effective as of August 1, 2017, using the full retrospective transition method. Under this method, we are presenting the consolidated financial statements for fiscal 2015, 2016 and 2017, as if ASC 606 had been effective for those periods.

In accordance with ASC 606, revenue is recognized when a customer obtains control of promised services. The amount of revenue recognized reflects the consideration that we expect to be entitled to receive in exchange for these services. To achieve the core principle of this standard, we apply the following five steps:

1) Identify the contract with a customer

We consider the terms and conditions of the contracts and our customary business practices in identifying our contracts under ASC 606. We determine we have a contract with a customer when the contract is approved,

we can identify each party's rights regarding the services to be transferred, we can identify the payment terms for the services, we have determined the customer has the ability and intent to pay and the contract has commercial substance. We apply judgment in determining the customer's ability and intent to pay, which is based on a variety of factors, including the customer's historical payment experience or, in the case of a new customer, credit and financial information pertaining to the customer.

2) Identify the performance obligations in the contract

Performance obligations promised in a contract are identified based on the services that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the service either on its own or together with other resources that are readily available from third parties or from us, and are distinct in the context of the contract, whereby the transfer of the services is separately identifiable from other promises in the contract. Our performance obligations consist of (i) our subscription and support services and (ii) professional and other services.

3) Determine the transaction price

The transaction price is determined based on the consideration to which we expect to be entitled in exchange for transferring services to the customer. Variable consideration is included in the transaction price if, in our judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. None of our contracts contain a significant financing component.

4) Allocate the transaction price to performance obligations in the contract

If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on a relative standalone selling price ("SSP").

5) Recognize revenue when or as we satisfy a performance obligation

Revenue is recognized at the time the related performance obligation is satisfied by transferring the promised service to a customer. Revenue is recognized when control of the services is transferred to our customers, in an amount that reflects the consideration that we expect to receive in exchange for those services. We generate all our revenue from contracts with customers.

Subscription and Support Revenue

We generate revenue primarily from sales of subscriptions to access our cloud platform, together with related support services to our customers. Arrangements with customers do not provide the customer with the right to take possession of our software operating our cloud platform at any time. Instead, customers are granted continuous access to our cloud platform over the contractual period. A time-elapsed output method is used to measure progress because we transfer control evenly over the contractual period. Accordingly, the fixed consideration related to subscription and support revenue is generally recognized on a straight-line basis over the contract term beginning on the date that our service is made available to the customer.

The typical subscription and support term is one to three years. Most of our contracts are non-cancelable over the contractual term. Customers typically have the right to terminate their contracts for cause if we fail to perform in accordance with the contractual terms. Some of our customers have the option to purchase additional subscription and support services at a stated price. These options generally do not provide a material right as they are priced at our SSP.

Professional and Other Services Revenue

Professional and other services revenue consists of fees associated with providing deployment advisory services that educate and assist our customers on the best use of our solutions, as well as advise customers on best practices as they deploy our solution. These services are distinct from subscription and support services. Professional services do not result in significant customization of the subscription service. Revenue from professional services provided on a time and materials basis is recognized as the services are performed. Total professional and other services revenue has historically not been material.

Contracts with Multiple Performance Obligations

Most of our contracts with customers contain multiple promised services consisting of (i) our subscription and support services and (ii) professional and other services that are distinct and accounted for separately. The transaction price is allocated to the separate performance obligations on a relative SSP basis. We determine SSP based on our overall pricing objectives, taking into consideration the type of subscription and support services and professional and other services, the geographical region of the customer and the number of users.

Variable Consideration

Revenue from sales is recorded at the net sales price, which is the transaction price, and includes estimates of variable consideration. The amount of variable consideration that is included in the transaction price is constrained, and is included in the net sales price only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue will not occur when the uncertainty is resolved.

If our services do not meet certain service level commitments, our customers are entitled to receive service credits, and in certain cases, refunds, each representing a form of variable consideration. We have historically not experienced any significant incidents affecting the defined levels of reliability and performance as required by our subscription contracts. Accordingly, any estimated refunds related to these agreements in the consolidated financial statements is not material during the periods presented.

We provide rebates and other credits within our contracts with certain customers which are estimated based on the most likely amounts expected to be earned or claimed on the related sales transaction. Overall, the transaction price is reduced to reflect our estimate of the amount of consideration to which we are entitled based on the terms of the contract. Estimated rebates and other credits were not material during the periods presented.

Disaggregation of Revenue

Subscription and support revenue is recognized over time and accounted for approximately 99% of our revenue for fiscal 2015, 2016 and 2017, and approximately 99% and approximately 98% for the six months ended January 31, 2017 and 2018, respectively.

The following table summarizes the revenue by region based on the shipping address of customers who have contracted to use our cloud platform:

	Year Ended July 31,						Six Months Ended January 31,			
	2015		2016		2017		2017		2018	
	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage of Revenue
					(in thousands)		(unaudited)			
United States	$ 23,250	43%	$ 35,794	44%	$ 57,990	46%	$ 25,504	45%	$ 39,985	47%
Europe, Middle East and Africa	25,365	48%	37,403	47%	56,857	45%	25,671	46%	37,154	44%
Asia Pacific	4,302	8%	5,779	7%	9,853	8%	4,376	8%	6,554	8%
Other	790	1%	1,349	2%	1,017	1%	658	1%	1,144	1%
Total	$ 53,707	100%	$ 80,325	100%	$125,717	100%	$ 56,209	100%	$ 84,837	100%

The following table summarizes the revenue from contracts by type of customer:

	Year Ended July 31,						Six Months Ended January 31,			
	2015		2016		2017		2017		2018	
	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage of Revenue
					(in thousands)		(unaudited)			
Channel partners	$ 42,798	80%	$ 67,472	84%	$ 110,900	88%	$ 49,009	87%	$ 77,429	91%
Direct customers	10,909	20%	12,853	16%	14,817	12%	7,200	13%	7,408	9%
Total	$ 53,707	100%	$ 80,325	100%	$ 125,717	100%	$ 56,209	100%	$ 84,837	100%

Contract Balances

Contract liabilities consist of deferred revenue and include payments received in advance of performance under the contract. Such amounts are recognized as revenue over the contractual period. For fiscal 2015, 2016 and 2017, and for the six months ended January 31, 2017 and 2018, we recognized revenue of $28.5 million, $40.7 million, $58.5 million, $39.8 million and $58.6 million, respectively, that was included in the corresponding contract liability balance at the beginning of the periods presented.

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

Costs to Obtain and Fulfill a Contract

We capitalize sales commission and associated payroll taxes paid to internal sales personnel that are incremental to the acquisition of channel partner and direct customer contracts. These costs are recorded as deferred contract acquisition costs in the consolidated balance sheets. We determine whether costs should be deferred based on our sales compensation plans, if the commissions are in fact incremental and would not have occurred absent the customer contract.

Sales commissions for renewal of a contract are not considered commensurate with the commissions paid for the acquisition of the initial contract given the substantive difference in commission rates in proportion to

their respective contract values. Commissions paid upon the initial acquisition of a contract are amortized over an estimated period of benefit of five years while commissions paid for renewal contracts are amortized over the contractual term of the renewals. Amortization of deferred contract acquisition costs is recognized on a straight-line basis commensurate with the pattern of revenue recognition and included in sales and marketing expense in the consolidated statements of operations. We determine the period of benefit for commissions paid for the acquisition of the initial contract by taking into consideration the expected subscription term and expected renewals of our customer contracts, the duration of our relationships with our customers, customer retention data, our technology development lifecycle and other factors. We periodically review the carrying amount of deferred contract acquisition costs to determine whether events or changes in circumstances have occurred that could impact the period of benefit of these deferred costs. We did not recognize any impairment losses of deferred contract acquisition costs during the periods presented.

The following table summarizes the activity of the deferred contract acquisition costs:

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
			(in thousands)	(unaudited)	
Beginning balance	$ 10,239	$ 13,150	$ 21,137	$ 21,137	$ 34,662
Capitalization of contract acquisition costs	6,919	13,502	21,999	7,365	11,213
Amortization of deferred contract acquisition costs	(4,008)	(5,515)	(8,474)	(3,826)	(5,932)
Ending balance	$ 13,150	$ 21,137	$ 34,662	$ 24,676	$ 39,943
Deferred contract acquisition costs, current	$ 4,456	$ 6,743	$ 10,469	$ 7,889	$ 12,271
Deferred contract acquisition costs, noncurrent	8,694	14,394	24,193	16,787	27,672
Total deferred contract acquisition costs	$ 13,150	$ 21,137	$ 34,662	$ 24,676	$ 39,943

Remaining Performance Obligations

The typical subscription and support term is one to three years. Most of our subscription and support contracts are non-cancelable over the contractual term. Customers typically have the right to terminate their contracts for cause, if we fail to perform. As of January 31, 2018, the aggregate amount of the transaction price allocated to remaining performance obligations was $273.1 million. We expect to recognize 56% of the transaction price over the next 12 months and 99% of the transaction price over the next three years, with the remainder recognized thereafter.

Accounts Receivable and Allowance

Accounts receivable are recorded at the invoiced amount and are non-interest bearing. Accounts receivable are stated at their net realizable value, net of an allowance for doubtful accounts. We have a well-established collections history from our customers. Credit is extended to customers based on an evaluation of their financial condition and other factors. In determining the necessary allowance for doubtful accounts, management considers the current aging and financial condition of our customers, the amount of receivables in dispute and current payment patterns. The allowance for doubtful accounts has historically not been material. There were no material write-offs recognized in the periods presented. We do not have any off-balance-sheet credit exposure related to our customers.

Research and Development

Our research and development expenses support our efforts to add new features to our existing offerings and to ensure the reliability, availability and scalability of our solutions. Our cloud platform is software-driven, and

our research and development teams employ software engineers in the design and the related development, testing, certification and support of our solutions. Accordingly, the majority of our research and development expenses result from employee-related costs, including salaries, bonuses and benefits and costs associated with technology tools used by our engineers.

Advertising Expenses

Advertising expenses are charged to sales and marketing expense in the consolidated statements of operations as incurred. Advertising expense was $1.1 million, $1.8 million and $1.8 million for fiscal 2015, 2016 and 2017, respectively, and $0.8 million and $1.4 million for the six months ended January 31, 2017 and 2018, respectively.

Foreign Currency

The functional currency of our foreign subsidiaries is the U.S. dollar. Accordingly, monetary assets and liabilities of our foreign subsidiaries are re-measured into U.S. dollars at the exchange rates in effect at the reporting date, non-monetary assets and liabilities are re-measured at historical rates, and revenue and expenses are re-measured at average exchange rates in effect during each reporting period. Foreign currency transaction gains and losses are recorded in other income (expense), net in the consolidated statements of operations. We recognized re-measurement losses of $0.4 million, $0.3 million and $0.1 million for fiscal 2015, 2016 and 2017, respectively, and $0.1 million for the six months ended January 31, 2017. The amount of re-measurement losses for the six months ended January 31, 2018 was not material.

Cash and Cash Equivalents

We consider all highly liquid investments purchased with an original maturity of three months or less from the date of purchase to be cash equivalents. Cash and cash equivalents consist of cash in banks and highly liquid investments in money market funds, including overnight investments. We had cash equivalents of $86.5 million, $72.4 million and $61.3 million as of July 31, 2016, July 31, 2017 and January 31, 2018, respectively. The carrying amount of our cash equivalents approximates fair value, due to the short maturities of these instruments.

Restricted Cash

We maintained restricted cash of $0.4 million, $0.6 million and $0.6 million as of July 31, 2016, July 31, 2017 and January 31, 2018, respectively, through a letter of credit. The letter of credit was established according to the requirements under certain lease agreements and is included in other noncurrent assets in the consolidated balance sheets.

Fair Value of Financial Instruments

The carrying value of our financial instruments, including cash equivalents, accounts receivable, accounts payable and accrued liabilities, approximates fair value due to their short-term nature.

Leases

We lease our facilities under operating lease agreements and recognize related rent expense on a straight-line basis over the term of the lease. Some of our lease agreements contain rent holidays, scheduled rent increases, lease incentives and renewal options. Rent holidays and scheduled rent increases are included in the determination of rent expense to be recorded over the lease term. Lease incentives are recognized as a reduction of rent expense on a straight-line basis over the term of the lease. Renewals are not assumed in the determination of the lease term unless they are deemed to be reasonably assured at the inception of the lease. We begin recognizing rent expense on the date that we obtain the legal right to use and control of the leased space. As part

of our lease agreement at our headquarters, we obtained $1.5 million in leasehold improvement incentives from the landlord in fiscal 2016. Because such incentive was paid directly to third parties by our landlord, it was recorded as a noncash investing activity in the consolidated statements of cash flows.

Segment and Geographic Information

We have one reportable and operating segment structure. We present financial information about our operating segment and geographic areas in Note 11 to our consolidated financial statements.

Property and Equipment

Property and equipment, net are stated at historical cost net of accumulated depreciation. Property and equipment, excluding leasehold improvements, are depreciated using the straight-line method over the estimated useful lives of the respective assets, generally ranging from two to five years. Leasehold improvements are amortized using the straight-line method over the shorter of the estimated useful lives of the respective assets or the lease term. Expenditures for maintenance and repairs are expensed as incurred and significant improvements and betterments that substantially enhance the life of an asset are capitalized.

Capitalized Internal-Use Software Development Costs

We capitalize certain development costs related to our cloud security platform during the application development stage. Costs incurred in the preliminary stages of development are analogous to research and development activities and are expensed as incurred. The preliminary stage includes such activities as conceptual formulation of alternatives, evaluation of alternatives, determination of existence of needed technology and final selection of alternatives. Once the application development stage is reached, internal and external costs are capitalized until the software is substantially complete and ready for its intended use. Capitalized costs are recorded as part of property and equipment, net. Maintenance and training costs are expensed as incurred. Capitalized internal-use software is amortized on a straight-line basis over its estimated useful life, which is generally three years, and is recorded as cost of revenue in the consolidated statements of operations. Capitalization of costs associated with the development of software for internal-use totaled $1.5 million, $0.8 million and $0.4 million for fiscal 2015, 2016 and 2017, respectively, and $1.0 million for the six months ended January 31, 2018. We did not capitalize any costs associated with the development of software for internal-use for the six months ended January 31, 2017. Amortization expense for capitalized internal-use software totaled $0.6 million, $1.0 million and $1.2 million for fiscal 2015, 2016 and 2017, respectively, and $0.7 million and $0.4 million for the six months ended January 31, 2017 and 2018, respectively.

Impairment of Long-Lived Assets

We review our long-lived assets, comprised primarily of our property and equipment, for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. We measure the recoverability of these assets by comparing the carrying amounts to the future undiscounted cash flows these assets are expected to generate. If the total of the future undiscounted cash flows are less than the carrying amount of an asset, we record an impairment charge for the amount by which the carrying amount of the asset exceeds the fair value. Impairment losses of long-lived assets were not material during the periods presented.

Deferred Offering Costs

Deferred offering costs are capitalized and consist of fees and expenses incurred in connection with the anticipated sale of our common stock in an initial public offering (“IPO”), including the legal, accounting, printing and other IPO-related costs. Upon completion of the IPO, these deferred offering costs will be reclassified to stockholders’ (deficit) equity and recorded against the proceeds from the offering. The outstanding

balance of deferred offering costs as of July 31, 2017 and January 31, 2018 totaled $1.2 million and $4.3 million, respectively, which are included in other noncurrent assets in the consolidated balance sheets. As of July 31, 2016, we had not incurred such costs.

Stock-Based Compensation

Stock-based compensation expense related to stock awards is recognized based on the fair value of the awards granted. The fair value of each option award is estimated on the grant date using the Black-Scholes option pricing model and a single option award approach. 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 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 option awards represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment. Stock-based compensation expense is recognized over the requisite service period of the awards, which is generally four years.

During fiscal 2015, 2016 and 2017, we recognized stock-based compensation expense, net of estimated forfeitures. We used historical data to estimate pre-vesting forfeitures and recorded stock-based compensation expense only for those grants that were expected to vest. On August 1, 2017, we adopted Accounting Standard Update No. 2016-09, *Compensation—Stock Compensation: Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"), which simplifies several aspects of the accounting for employee share-based payment transactions. In accordance with ASU 2016-09, we have elected to account for forfeitures as they occur instead of estimating the number of awards expected to be forfeited and adjusting the estimate when it is no longer probable that the employee will fulfill the service condition. Adoption of this provision during our first quarter of fiscal 2018 resulted in a cumulative-effect adjustment to accumulated deficit of $0.4 million, net of tax, as of the date of adoption.

Additionally, upon adoption of ASU 2016-09, on a modified retrospective basis, the previously unrecognized excess tax benefits of $0.9 million as of July 31, 2017 were recorded as an increase of U.S. federal and state deferred tax assets, which was substantially offset by our valuation allowance. Prospectively, all excess tax benefits and deficiencies will be recognized in the income statement as a component of our income tax expense or benefit. Further, we will present excess tax benefits as an operating activity in the consolidated statements of cash flows on a prospective basis. For the six months ended January 31, 2018, the net excess tax benefits related to equity awards was not material.

Comprehensive Loss

Comprehensive loss consists of other comprehensive income (loss) and net loss. Other comprehensive income (loss) refers to revenue, expenses, gains and losses that are recorded as an element of stockholders' (deficit) equity but are excluded from the net loss. We did not have any other comprehensive income (loss) transactions during the periods presented. Accordingly, the comprehensive loss is equal to the net loss for the periods presented.

Income Taxes

We account for income taxes using the asset and liability method. Deferred income taxes are recognized by applying the enacted statutory tax rates applicable to future years to differences between the carrying amounts of existing assets and liabilities and their respective tax bases and net operating loss and tax credit carryforwards. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance to amounts that are more likely than not to be realized.

We recognize tax benefits from uncertain tax positions only if we believe 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 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.

Legal Contingencies

We may be subject to legal proceedings and litigation arising from time to time. We record a liability when we believe that it is both probable that a loss has been incurred and the amount can be reasonably estimated. We expect to periodically evaluate developments in our legal matters that could affect the amount of liability that we accrue, if any, and adjust, as appropriate. Until the final resolution of any such matter for which we may be required to record a liability, there may be a loss exposure in excess of the liability recorded and such amount could be significant. We expense legal fees as incurred.

Warranties and Indemnification

Our cloud platform is generally warranted to be free of defects under normal use and to perform substantially in accordance with the subscription agreement. Additionally, our contracts generally include provisions for indemnifying customers and channel partners against liabilities if our services infringe or misappropriate a third party's intellectual property rights. Costs and liabilities incurred as a result of warranties and indemnification obligations were not material during the periods presented.

Net Loss Per Share Attributable to Common Stockholders

Basic and diluted net loss per share attributable to common stockholders is presented in conformity with the two-class method required for participating securities. We consider all series of our redeemable convertible preferred stock to be participating securities. Under the two-class method, the net loss attributable to common stockholders is not allocated to the redeemable convertible preferred stock as the holders of our redeemable convertible preferred stock do not have a contractual obligation to share in our losses. Under the two-class method, net income is attributed to common stockholders and participating securities based on their participation rights.

Under the two-class method, basic net loss per share attributable to common stockholders is computed by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Net loss attributable to common stockholders is calculated by adjusting net loss for current period accretion of redeemable convertible preferred stock.

Diluted earnings per share attributable to common stockholders adjusts basic earnings per share for the potentially dilutive impact of stock options and redeemable convertible preferred stock. As we have reported losses for all periods presented, all potentially dilutive securities are antidilutive and accordingly, basic net loss per share equals diluted net loss per share.

Recently Issued Accounting Pronouncements

In August 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-15, *Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. This ASU provides guidance around management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. It is effective for annual periods ending after December 15, 2016, and for annual and interim periods thereafter. Early adoption is permitted. We adopted this ASU as of July 31, 2017, noting no impact to our consolidated financial statements.

In January 2015, the FASB issued ASU No. 2015-01, *Income Statement—Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items*. This ASU simplifies income statement presentation by eliminating the concept of extraordinary items. It is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. We adopted this ASU as of August 1, 2016, noting no impact to our consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-05, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's accounting for Fees Paid in a Cloud Computing Arrangement*. This ASU provides guidance to customers about whether a cloud computing arrangement includes software. If the arrangement includes a software license, the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If the arrangement does not include a software license, the customer should account for the arrangement as a service contract. For public business entities, it is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. We adopted this ASU as of August 1, 2016, noting no impact on our consolidated financial statements.

In November 2015, the FASB issued ASU No. 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes*. This ASU is part of the FASB's simplification initiative aimed at reducing complexity in accounting standards. It requires all deferred tax assets and liabilities, and any related valuation allowance, to be classified as noncurrent on the balance sheet. The classification change for all deferred taxes as noncurrent simplifies entities' processes as it eliminates the need to separately identify the net current and net noncurrent deferred tax asset or liability in each jurisdiction and allocate valuation allowances. For public business entities, it is effective for annual reporting periods beginning after December 15, 2016 and interim periods therein. Early adoption is permitted. We early adopted this ASU as of August 1, 2016, noting no material impact on our consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"). The main difference between previous guidance and ASU 2016-02 is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous accounting guidance. ASU 2016-02 retains the distinction between finance leases and operating leases. The classification criteria for distinguishing between finance leases and operating leases are substantially similar to the previous leases guidance. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. For public business entities, it is effective for annual periods beginning after December 15, 2018, and interim periods therein. Early adoption is permitted. We are currently evaluating the potential impact of this ASU on our consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09. This ASU simplifies various aspects related to how share-based payments are accounted for and presented in the financial statements, including income taxes, forfeitures, and statutory tax withholding requirements. For public business entities, it is effective for annual periods beginning after December 15, 2016, and interim periods therein. Early adoption is permitted. We adopted ASU 2016-09 as of August 1, 2017, resulting in the impact discussed in Note 2 (under Stock-Based Compensation) to our consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This ASU amends guidance on reporting credit losses for assets held at amortized cost basis and available-for-sale debt securities to require that credit losses on available-for-sale debt securities be presented as an allowance rather than as a write-down. The measurement of credit losses for newly recognized financial assets and subsequent changes in the allowance for credit losses are recorded in the statements of operations. For public business entities, it is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted. We are currently evaluating the potential impact of this ASU on our consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force)*. This ASU provides guidance to decrease the diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. For public business entities, it is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption permitted. We are currently evaluating the potential impact of this ASU on our consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*, which updates the classification of restricted cash in the statement of cash flows. For public business entities, it is effective for fiscal years beginning after December 15, 2017, and interim periods therein. Early adoption is permitted. We are currently evaluating the potential impact of this ASU on our consolidated financial statements.

In May 2017, the FASB issued ASU No. 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting*, which provides clarity in applying the guidance in Topic 718 around modifications of share-based payment awards. For public business entities, it is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted. We are currently evaluating the potential impact of this ASU on our consolidated financial statements.

In July 2017, the FASB issued ASU No. 2017-11, *Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception*. This ASU reduces the complexity associated with an issuer's accounting for certain financial instruments with characteristics of liabilities and equity. Specifically, the FASB determined that a down round feature would no longer cause a freestanding equity-linked financial instrument (or an embedded conversion option) to be accounted for as a derivative liability at fair value with changes in fair value recognized in current earnings. For public business entities, it is effective for fiscal years beginning after December 15, 2018, and interim periods therein. Early adoption is permitted. We are currently evaluating the potential impact of this ASU on our consolidated financial statements.

Note 3. Fair Value Measurements

Fair value is defined as the exchange price that would be received from sale of an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. We measure our financial assets and liabilities at fair value at each reporting period using a fair value hierarchy which requires us to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value:

- Level I—Observable inputs are unadjusted quoted prices in active markets for identical assets or liabilities;
- Level II—Observable inputs are quoted prices for similar assets and liabilities in active markets or inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly through market corroboration, for substantially the full term of the financial instruments; and
- Level III—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. These inputs are based on our own assumptions used to measure assets and liabilities at fair value and require significant management judgment or estimation.

We classify cash equivalents, which are comprised of highly liquid money market funds, within Level I of the fair value hierarchy because they are valued based on quoted market prices in active markets.

Assets that are measured at fair value on a recurring basis consist of the following:

	July 31, 2016			
	Fair Value	Level I	Level II	Level III
		(in thousands)		
Assets:				
Money market funds	$ 86,547	$ 86,547	$ —	$ —

	July 31, 2017			
	Fair Value	Level I	Level II	Level III
		(in thousands)		
Assets:				
Money market funds	$ 72,441	$ 72,441	$ —	$ —

	January 31, 2018			
	Fair Value	Level I	Level II	Level III
		(unaudited) (in thousands)		
Assets:				
Money market funds	$ 61,258	$ 61,258	$ —	$ —

Note 4. Property and Equipment

Property and equipment, net consists of the following:

	Estimated Useful Life	July 31, 2016	July 31, 2017	January 31, 2018 (unaudited)
		(in thousands)		
Hosting equipment	2-3 years	$ 13,199	$ 20,241	$ 25,982
Computers and equipment	3-5 years	1,167	1,539	1,968
Purchased software	3 years	248	1,257	1,284
Capitalized internal-use software	3 years	3,999	4,390	5,340
Furniture and fixtures	5 years	1,099	1,035	1,409
Leasehold improvements	Shorter of useful life or lease term	2,023	1,981	2,087
Property and equipment		21,735	30,443	38,070
Less: Accumulated depreciation and amortization		(10,627)	(17,304)	(21,212)
Property and equipment, net		$ 11,108	$ 13,139	$ 16,858

Depreciation and amortization expense was $2.9 million, $4.9 million and $6.8 million for fiscal 2015, 2016 and 2017, respectively, and $3.3 million and $3.9 million for the six months ended January 31, 2017 and 2018, respectively.

Note 5. Commitments and Contingencies

Operating Leases

We lease our office space under various operating lease agreements expiring at various dates through April 2021. Certain of these lease agreements have escalating rent payments. We recognize rent expense under such

agreements on a straight-line basis over the lease term, and the difference between the rent paid and the straight-line rent is recorded as deferred rent, which is included in accrued expenses and other current liabilities (current portion) and other noncurrent liabilities (noncurrent portion) in the consolidated balance sheets.

As of July 31, 2017, the aggregate future minimum payments under non-cancelable operating leases consist of the following:

	Operating Leases (in thousands)
Year ending July 31,	
2018	$ 1,893
2019	1,978
2020	1,845
2021	1,294
Total	$ 7,010

As of January 31, 2018, the aggregate future minimum payments under non-cancelable operating leases consist of the following:

	Operating Leases (unaudited) (in thousands)
Year ending July 31,	
2018 (remaining six months)	$ 1,436
2019	2,782
2020	2,322
2021	1,542
Total	$ 8,082

Rent expense was $0.7 million, $1.4 million and $1.7 million for fiscal 2015, 2016 and 2017, respectively, and $0.8 million and $1.1 million for the six months ended January 31, 2017 and 2018, respectively.

Data Center Contract Commitments

We enter into long-term non-cancelable agreements with providers in various countries to purchase data center capacity, such as bandwidth and colocation space, for our cloud platform. Bandwidth and colocation costs are recorded as cost of revenue in the consolidated statements of operations. Such costs totaled $4.3 million, $5.6 million and $6.9 million for fiscal 2015, 2016 and 2017, respectively, and $3.1 million and $4.3 million for the six months ended January 31, 2017 and 2018, respectively.

As of July 31, 2017, future minimum payments under non-cancelable data center contracts consist of the following:

	Data Center Contracts (in thousands)
Year ending July 31,	
2018	$ 2,500
2019	1,154
2020	522
Total	$ 4,176

As of January 31, 2018, future minimum payments under non-cancelable data center contracts consist of the following:

	Data Center Contracts (unaudited) (in thousands)
Year ending July 31,	
2018 (remaining six months)	$ 2,527
2019	3,960
2020	2,433
2021	519
2022	134
Total	$ 9,573

Non-cancelable Purchase Obligations

In the normal course of business, we enter into non-cancelable purchase commitments with various parties to purchase products and services such as technology equipment, office renovations, corporate events and consulting services. As of July 31, 2016, July 31, 2017 and January 31, 2018, we had outstanding non-cancelable purchase obligations with a term of 12 months or longer of $1.1 million, $2.2 million and $3.0 million, respectively.

Line of Credit

In January 2015, we entered into a $15.0 million Loan and Security Agreement (the "Line of Credit") with Silicon Valley Bank, as amended, with a two-year term, interest due monthly and principal due upon maturity. Borrowings under the Line of Credit bore interest at the prime rate per annum, as published by the Wall Street Journal, and were collateralized by substantially all of our assets, except for intellectual property. Under this agreement, we were subject to certain reporting and financial covenants. In fiscal 2015, we borrowed $5.5 million under the Line of Credit, which was fully repaid within the same fiscal year. Related interest expense was not material to the periods presented. The Line of Credit was terminated in April 2016.

Legal Matters

Symantec Litigation

We are currently involved in legal proceedings with Symantec Corporation ("Symantec"). On December 12, 2016, Symantec filed a complaint ("Symantec Case 1"), in the U.S. District Court for the District of Delaware alleging that "Zscaler's cloud security platform" infringes U.S. Patent Nos. 6,279,113, 7,203,959 ("959 patent"), 7,246,227 ("227 patent"), 7,392,543, 7,735,116 ("116 patent"), 8,181,036 and 8,661,498. The complaint seeks compensatory damages, an injunction, enhanced damages, and attorney fees. We believe our technology does not infringe Symantec's asserted patents and that Symantec's patents are invalid. We have filed a motion to dismiss the 959, 227 and certain claims of the 116 patents as invalid based on unpatentable subject matter. On August 2, 2017, the court granted our motion to transfer Symantec Case 1 from the District of Delaware to the Northern District of California. The Markman claim construction hearing for Symantec Case 1 is scheduled for June 19, 2018.

On April 18, 2017, Symantec filed a second complaint ("Symantec Case 2"), in the U.S. District Court for the District of Delaware alleging that "Zscaler's cloud security platform" infringes U.S. Patent Nos. 6,285,658 ("658 patent"), 7,360,249, 7,587,488 ("488 patent"), 8,316,429 ("429 patent"), 8,316,446 ("466 patent"), 8,402,540 and 9,525,696. The complaint seeks compensatory damages, an injunction, enhanced damages and attorney fees.

On June 22, 2017, Symantec filed a notice of voluntary dismissal of its complaint in Symantec Case 2 along with a new complaint alleging infringement of the same patents. In the new complaint in Symantec Case 2, Symantec added Symantec Limited as a plaintiff and also alleged willful infringement of the 429 and 446 patents. We believe our technology does not infringe Symantec's asserted patents and that Symantec's patents are invalid. We have filed a motion to dismiss the 658, 429, 446 and 488 patents as invalid based on unpatentable subject matter. On July 31, 2017, the court granted our motion to transfer Symantec Case 2 from the District of Delaware to the Northern District of California. The Markman claim construction hearing for Symantec Case 2 is scheduled for March 19, 2019.

We have also received letters from Symantec alleging that our "cloud security platform" infringes U.S. Patent Nos. 7,031,327, 7,496,661, 7,543,036 and 7,624,110. We believe that our technology does not infringe Symantec's asserted patents and that these patents are invalid.

We have not recorded a liability with respect to Symantec Case 1 or Case 2 based on our determination that a loss in either case is not probable (though it may be reasonably possible) under the applicable accounting standards.

We are vigorously defending Symantec Case 1 and Case 2. Given the early stage in the litigation, although a loss may be reasonably possible, we are unable to predict the likelihood of success of Symantec's infringement claims or estimate a range of loss.

Finjan Litigation

We are currently involved in legal proceedings with Finjan. On December 5, 2017, Finjan filed a complaint, in the U.S. District Court for the Northern District of California alleging that Zscaler's "Internet Access Bundles," "Private Access Bundle," "Zscaler Enforcement Node," "Secure Web Gateway," "Cloud Firewall," "Cloud Sandbox" and "Cloud Architecture products and services" infringe U.S. Patent Nos. 6,804,780, 7,647,633, 8,677,494 and 7,975,305. The complaint seeks compensatory damages, an injunction, enhanced damages and attorney fees. While the range of potential loss resulting from the lawsuit cannot be reasonably estimated, we recorded legal expenses and related accruals of $2.5 million and $0.7 million for fiscal 2017 and for the six months ended January 31, 2018, respectively, related to past negotiations with Finjan.

We intend to vigorously pursue our defenses. Given the early stage in the litigation, we are unable to predict the likelihood of success of Finjan's infringement claims.

Other Litigation and Claims

In addition, from time to time we are a party to various litigation matters and subject to claims that arise in the ordinary course of business. In addition, third parties may from time to time assert claims against us in the form of letters and other communications. For any claims for which we believe a liability is both probable and reasonably estimable, we record a liability in the period for which we make this determination. Except as otherwise described above, there is no pending or threatened legal proceeding to which we are a party that, in our opinion, is likely to have a material adverse effect on our consolidated financial statements; however, the results of litigation and claims are inherently unpredictable. Regardless of the outcome, litigation can have an adverse impact on our business because of defense and settlement costs, diversion of management resources and other factors. In addition, the expense of litigation and the timing of this expense from period to period are difficult to estimate, subject to change and could adversely affect our results of operations.

Note 6. Redeemable Convertible Preferred Stock

In July 2015, we entered into a Series D preferred stock purchase agreement, which authorized the sale and issuance of up to 16,731,361 shares of preferred stock at $5.9768 per share. We sold 14,221,656 shares of Series D redeemable convertible preferred stock for total gross proceeds of $85.0 million and incurred related issuance costs of $0.3 million.

In September 2015, we amended our Amended and Restated Certificate of Incorporation and increased the number of Series D preferred stock authorized for sale and issuance to 18,739,124 shares. We also amended our Series D preferred stock purchase agreement to permit the sale of an additional 4,182,840 shares of Series D redeemable convertible preferred stock at $5.9768 per share for total gross proceeds of $25.0 million. Related issuance costs were immaterial.

As of July 31, 2016, our convertible preferred stock consists of the following:

	Shares Authorized	Issued and Outstanding	Carrying Value	Liquidation Preference	Issue Price per share
			(in thousands, except per share data)		
Series A	42,000	42,000	$ 5,000	$ 5,000	$ 0.12
Series B	37,284	37,284	30,095	30,200	$ 0.81
Series C	11,063	11,063	37,876	37,980	$ 3.43
Series D	18,739	18,404	118,436	118,700	$ 5.98
Total	109,086	108,751	$ 191,407	$ 191,880	

As of July 31, 2017, our convertible preferred stock consists of the following:

	Shares Authorized	Issued and Outstanding	Carrying Value	Liquidation Preference	Issue Price per share
			(in thousands, except per share data)		
Series A	42,000	42,000	$ 5,000	$ 5,000	$ 0.12
Series B	37,284	37,284	30,095	30,200	$ 0.81
Series C	11,063	11,063	37,897	37,980	$ 3.43
Series D	18,739	18,404	127,985	128,196	$ 5.98
Total	109,086	108,751	$ 200,977	$ 201,376	

As of January 31, 2018, our convertible preferred stock consists of the following:

	Shares Authorized	Issued and Outstanding	Carrying Value	Liquidation Preference	Issue Price per share
			(unaudited) (in thousands, except per share data)		
Series A	42,000	42,000	$ 5,000	$ 5,000	$ 0.12
Series B	37,284	37,284	30,095	30,200	$ 0.81
Series C	11,063	11,063	37,908	37,980	$ 3.43
Series D	18,739	18,404	133,083	133,267	$ 5.98
Total	109,086	108,751	$ 206,086	$ 206,447	

Accretion to the redemption price of Series C and D redeemable convertible preferred stock was $0.1 million, $8.6 million and $9.6 million for fiscal 2015, 2016 and 2017, respectively, and $4.7 million and $5.1 million for the six months ended January 31, 2017 and 2018, respectively. Accretion is recognized as a reduction of additional paid-in capital with a corresponding increase to the carrying value of Series C and D redeemable convertible preferred stock.

The holders of our convertible preferred stock have various rights, preferences and privileges, which are summarized as follows:

Conversion Rights

Each share of our preferred stock is convertible, at the option of its holder, into the number of fully paid and non-assessable shares of common stock, which results from dividing the applicable original issue price per share

by the applicable conversion price per share on the date that the share certificate is surrendered for conversion. As of July 31, 2016, July 31, 2017 and January 31, 2018, the conversion prices per share for all shares of preferred stock were equal to the original issue prices, and the rate at which each share would convert into common stock was one-for-one. The conversion prices of the Series A, B, C and D convertible preferred stock will be adjusted for specified dilutive issuances, stock splits, combinations and noncash dividends. In addition, the conversion price for the Series D redeemable convertible preferred stock will be adjusted in the event of an IPO.

Each share of preferred stock will automatically convert (1) immediately prior to the closing of the sale of our common stock in a firm commitment underwritten IPO, provided that the IPO involves a pre-IPO valuation of the Company equal to or greater than $750 million and the net proceeds to the Company are not less than $75.0 million or (2) upon a request for such conversion from the holders of a majority of each series of preferred stock then outstanding.

In the event of an IPO in which all of the Series D redeemable convertible preferred stock are to be converted to common stock in which the initial offering price to the public (prior to any underwriting discounts) is less than $7.471 (as adjusted for stock splits, stock dividends, reclassification and the like), then the conversion price for each share of Series D redeemable convertible preferred stock shall be adjusted immediately prior to the conversion of the Series D redeemable convertible preferred stock into common stock in connection with the IPO. The conversion price will be a conversion price that results in each share of Series D redeemable convertible preferred stock converting into that number of shares (including fractional shares) of common stock as would have a deemed value (number of shares of common stock issued upon conversion of one share of Series D redeemable convertible preferred stock multiplied by the IPO price) equal to $7.471 (as adjusted for stock splits, stock dividends, reclassification and the like).

Dividend Rights

Each holder of the Series A, B, C and D convertible preferred stock shall be entitled to receive, out of any funds legally available, noncumulative dividends at the rate of $0.009525, $0.0648, $0.27487 and $0.47814 per share, respectively, per annum, payable in preference and priority to any payment of any dividends on common stock when and as declared by the board of directors. After payment of such dividends, any additional dividends or distributions shall be distributed among all holders of common stock and preferred stock in proportion to the number of shares of common stock that would be held by each such holder if all shares of preferred stock were converted to common stock at the then effective conversion rate. No dividends are payable to Series A or Series B convertible preferred stock unless dividends on the Series C and D redeemable convertible preferred stock have been declared and all declared dividends have been paid or set aside for payment to the shareholders of Series C and D redeemable convertible preferred stock. The right to receive dividends on shares of preferred stock is not cumulative. No dividends have been declared as of the date of the issuance of these consolidated financial statements.

Liquidation Rights

In the event of any liquidation, dissolution or winding up of the Company, holders of Series A, B, C and D convertible preferred stock are entitled to receive, in preference to holders of the common stock, the amount per share of each share of preferred stock held by them equal to the greater of (a) the sum of the liquidation preference, which is $0.11905 for a Series A share, $0.81 for a Series B share, $3.4331 for a Series C share and $5.9768 plus 8% compounded annually from the initial issuance date for a Series D share, plus all declared but unpaid dividends or (b) the amount that would be received on such share of redeemable convertible preferred stock if such share were converted to a share of common stock immediately prior to such liquidation event. Such amounts will be adjusted for any stock split, stock dividends, combination of shares, reorganization, recapitalization, reclassification or other similar event. All remaining assets will then be distributed pro rata to holders of common stock. In accordance with our Certificate of Incorporation, as amended, a liquidation event

includes a sale, transfer or license of all or substantially all of its assets; a merger or consolidation with another entity; the transfer of 50% or more of its voting stock; or a liquidation, dissolution or winding up of the Company. A liquidation event is deemed to be outside the control of the Company.

Voting Rights

The holders of Series A, B, C and D convertible preferred stock are entitled to the number of votes equal to the number of shares of common stock into which such preferred stock is convertible. Fractional votes are not permitted. The holders of the preferred stock are entitled to vote on all matters on which the common stockholders are entitled to vote. So long as at least 2,000,000 shares (as adjusted for recapitalization) of each of the Series A, B, C and D convertible preferred stock remain outstanding, the holders of each of the Series A, B, C and D convertible preferred stock, voting as a separate class, are entitled to select one member of our board of directors at each meeting or pursuant to each consent of our stockholders for the election of directors.

Redemption Rights

Series C redeemable convertible preferred stock is redeemable at any time after the sixth anniversary of the initial issuance of the Series D redeemable convertible preferred stock, at the written election of the holders of at least a majority of the then outstanding shares of Series C redeemable convertible preferred stock. Series D redeemable convertible preferred stock is redeemable at any time after the sixth anniversary of the initial issuance of the Series D redeemable convertible preferred stock, at the written election of the holders of at least a majority of the then outstanding shares of Series D redeemable convertible preferred stock. The redemption price per share for Series C equals to the original issue price of $3.4331 plus the amount equal to all declared and unpaid dividends. The redemption price per share for Series D equals to the original issue price of $5.9768 plus 8% per annum, compounded annually, from the issuance date through the redemption date of July 24, 2021. As the redemption of Series C and D is not solely within the control of the issuer and is contingent only on the passage of time, it is probable that the instrument will become redeemable. Therefore, both Series C and D redeemable convertible preferred stock are being accreted to their redemption prices utilizing the effective interest method.

While Series A, B, C and D convertible preferred stock do not have mandatory redemption provisions, they are contingently redeemable upon a deemed liquidation event.

Classification of Convertible Preferred Stock

The redemption provisions of the Series C and Series D redeemable convertible preferred stock are considered provisions that are not solely within our control. Also, the deemed liquidation preference provisions of the Series A, B, C and D convertible preferred stock are considered contingent redemption provisions that are not solely within our control. Accordingly, our convertible preferred stock has been presented outside of permanent equity in the mezzanine section of the consolidated balance sheets.

Note 7. Common Stock

As of July 31, 2016, July 31, 2017 and January 31, 2018, the number of shares of common stock authorized was 177,312,759 shares, 190,000,000 shares and 190,000,000 shares, respectively, and the number of shares of common stock issued and outstanding was 45,496,536 shares, 48,538,681 shares and 49,247,024 shares, respectively. Our common stock is not redeemable and common stockholders are entitled to one vote for each share of common stock held.

Common Stock Reserved for Future Issuance

We have reserved shares of common stock, on an as-if converted basis, for future issuance as follows:

	July 31,		January 31,
	2016	2017	2018
			(unaudited)
	(in thousands)		
Conversion of Series A convertible preferred stock	42,000	42,000	42,000
Conversion of Series B convertible preferred stock	37,284	37,284	37,284
Conversion of Series C redeemable convertible preferred stock	11,063	11,063	11,063
Conversion of Series D redeemable convertible preferred stock	18,404	18,404	18,404
Stock options issued and outstanding	14,063	22,588	22,425
Remaining shares available for future issuance under the 2007 Plan	4,174	1,108	5,563
Total shares of common stock reserved	126,988	132,447	136,739

Note 8. Stock-Based Compensation

2007 Stock Plan

In September 2007, our board of directors adopted the 2007 Stock Plan (the “2007 Plan”). Under the 2007 Plan, the board of directors may grant stock options and stock purchase rights to eligible employees, directors and consultants to promote the success of our business. Stock options granted under the 2007 Plan generally vest over four years with 25% of the option shares vesting one year from the date of grant and then ratably over the following 36 months. Options expire seven years after the date of grant.

Stock options that are forfeited or cancelled shall become available for future grant or sale under the 2007 Plan unless the 2007 Plan is terminated.

A summary of the activity under the 2007 Plan and related information is as follows:

	Stock Options Outstanding				
Share information:	Shares Available For Grant	Outstanding Stock Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
		(in thousands, except per share data)			
Balance as of August 1, 2014	4,145	6,162	$ 0.61	5.4	$ 3,596
Increase in 2007 Plan authorized shares	9,755	—			
Stock options granted	(8,972)	8,972	$ 1.57		
Stock options exercised	—	(5,449)	$ 1.32		$ 1,504
Repurchases of unvested shares	1,409	—	$ 0.38		
Stock options cancelled/forfeited/expired	583	(583)	$ 0.80		
Balance as of July 31, 2015	6,920	9,102	$ 1.12	5.5	$ 14,861
Increase in 2007 Plan authorized shares	3,500	—			
Stock options granted	(10,014)	10,014	$ 2.90		
Stock options exercised	—	(3,162)	$ 1.94		$ 2,990
Repurchases of unvested shares	1,877	—	$ 1.56		
Stock options cancelled/forfeited/expired	1,891	(1,891)	$ 1.66		
Balance as of July 31, 2016	4,174	14,063	$ 2.13	5.6	$ 13,840
Increase in 2007 Plan authorized shares	8,500	—			
Stock options granted	(12,869)	12,869	$ 3.77		
Stock options exercised	—	(3,191)	$ 2.40		$ 4,478
Repurchases of unvested shares	150	—	$ 1.75		
Stock options cancelled/forfeited/expired	1,153	(1,153)	$ 2.56		
Balance as of July 31, 2017	1,108	22,588	$ 3.00	5.6	$ 56,717
Increase in 2007 Plan authorized shares (unaudited)	5,000	—			
Stock options granted (unaudited)	(3,069)	3,069	$ 5.63		
Stock options exercised (unaudited)	—	(1,531)	$ 1.98		$ 5,177
Repurchases of unvested shares (unaudited)	823	—	$ 4.02		
Stock options cancelled/forfeited/expired (unaudited)	1,701	(1,701)	$ 3.73		
Balance as of January 31, 2018 (unaudited)	5,563	22,425	$ 3.37	5.4	$ 53,511
Vested and expected to vest as of July 31, 2017		19,439	$ 2.91	5.5	$ 50,515
Exercisable as of July 31, 2017		8,860	$ 2.45	4.9	$ 27,135
Exercisable as of January 31, 2018 (unaudited)		8,724	$ 2.51	4.6	$ 28,326

The aggregate intrinsic value of the options exercised represents the difference between the estimated fair value of our common stock on the date of exercise and the exercise price of the options. The weighted-average grant-date fair value per share of awards granted was $0.54, $1.12 and $1.40 for fiscal 2015, 2016 and 2017, respectively, and $1.20 and $2.08 for the six months ended January 31, 2017 and 2018, respectively.

Early Exercise of Employee Options and Notes Receivable

The 2007 Plan allows for the early exercise of stock options for certain individuals as determined by the board of directors. The consideration received for an early exercise of an option is considered to be a deposit of the exercise price and the related dollar amount is recorded as a liability and reflected as liability for early exercise of unvested stock options in the consolidated balance sheets. This liability is reclassified to additional paid-in capital as the awards vest. If a stock option is early exercised, the unvested shares may be repurchased by us in case of employment termination for any reason, including death and disability, at the price paid by the purchaser for such shares. In fiscal 2015, 2016 and 2017, we issued 4,155,000 shares, 1,890,000 shares and

1,171,980 shares of common stock for total proceeds of $6.7 million, $5.2 million and $4.7 million, respectively, related to early exercised stock options. In the six months ended January 31, 2017, we did not issue any shares related to early exercised stock options. We issued 269,792 shares of common stock for total proceeds of $0.9 million related to early exercised stock options for the six months ended January 31, 2018. As of July 31, 2016, July 31, 2017 and January 31, 2018, the number of shares of common stock subject to repurchase was 3,550,922 shares, 2,831,458 shares and 1,757,083 shares with an aggregate price of $7.2 million, $8.0 million and $4.5 million, respectively.

We entered into notes receivable agreements with certain of our current and former executives and employees in connection with the exercise of their stock options. During fiscal 2015 and 2016, we issued 4,100,000 shares and 1,615,000 shares of common stock for a total of $6.6 million and $4.4 million, respectively, related to the exercise of unvested stock options via a notes receivable. We did not issue any notes receivable in fiscal 2017 and the six months ended January 31, 2018. These notes bear interest at rates ranging from 1.15% to 2.85% per annum and are due in December 2018, subject to acceleration upon the occurrence of certain events. As the notes receivable are collateralized by the underlying common stock as well as the borrowers' personal assets, they are considered full recourse. The notes receivable and the accrued interest are presented as contra-equity until the amounts are settled. As of July 31, 2016, July 31, 2017 and January 31, 2018, the carrying amount of outstanding notes receivable, inclusive of accrued interest, was $9.9 million, $7.9 million and $7.8 million, respectively. As of July 31, 2016, July 31, 2017 and January 31, 2018, the balance of accrued interest under these notes was $0.3 million, $0.4 million and $0.5 million, respectively. During the six months ended January 31, 2018, we repurchased a total of 822,917 unvested shares of common stock from certain employees upon termination of their employment services. The total repurchase price was $3.3 million, or $4.02 per share, of which $3.1 million was paid in cash and $0.2 million was settled through a cancellation of the related note receivable. In February 2018, certain borrowers repaid the outstanding principal amount and interest accrued under their loans, totaling $3.9 million.

Determination of Fair Values

The fair value of stock options granted to employees is estimated on the grant date using the Black-Scholes option pricing model. This valuation model for stock-based compensation expense requires us to make assumptions and judgments about the variables used in the calculation, including the fair value of the underlying common stock, expected term, the expected volatility of the common stock, a risk-free interest rate and expected dividend yield.

We estimate the fair value of employee stock options using the Black-Scholes option pricing model with the following assumptions:

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
				(unaudited)	
Expected term (in years)	4.6	4.6	4.6	4.6	4.6
Expected stock price volatility	38.8%	43.6% - 45.2%	41.4% - 43.3%	43.3%	40.4% - 41.5%
Risk-free interest rate	1.2% - 1.7%	1.1% - 1.6%	1.1% - 2.0%	1.1% - 1.6%	1.7% - 2.6%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%

Restricted Stock Awards

The 2007 Plan allows for the grant of stock purchase rights, which are rights to purchase restricted common stock (restricted stock) to employees at the current fair value of the common stock. The restricted stock will generally be subject to a four-year vesting period, with 25% of the shares vesting after one year of employment and monthly thereafter over the remaining three years. Upon an employee's termination, we have the option to repurchase unvested shares at a price per share equal to the lesser of the fair market value of the shares at the time of the repurchase or the original purchase price. There was no restricted stock activity in the periods presented.

Stock-based Compensation Expense

During fiscal 2015, 2016 and 2017, we recognized stock-based compensation expense, net of estimated forfeitures. Beginning with our first quarter of fiscal 2018, upon adoption of ASU 2016-09, as further discussed in Note 2 (under Stock-Based Compensation) to our consolidated financial statements, we have elected to account for forfeitures of awards as incurred instead of estimating the number of awards expected to be forfeited.

The following table summarizes the components of stock-based compensation expense recognized in the consolidated statements of operations:

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
			(in thousands)	(unaudited)	
Cost of revenue	$ 116	$ 189	$ 348	$ 139	$ 235
Sales and marketing	611	1,574	2,794	1,236	1,770
Research and development	648	1,025	5,574	4,925	892
General and administrative	186	829	1,203	450	900
Total stock-based compensation expense	$ 1,561	$ 3,617	$ 9,919	$ 6,750	$ 3,797

As of January 31, 2018, the unrecognized stock-based compensation cost related to unvested stock options totaled $22.1 million, which is expected to be recognized over a weighted-average period of three years.

Note 9. Net Loss Per Share Attributable to Common Stockholders

Basic and diluted net loss per share attributable to common stockholders is presented in conformity with the two-class method required for participating securities. We consider all series of our convertible preferred stock to be participating securities. Under the two-class method, the net loss attributable to common stockholders is not allocated to the convertible preferred stock as the holders of our convertible preferred stock do not have a contractual obligation to share in our losses.

Basic net loss per share attributable to common stockholders is computed by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period, less shares subject to repurchase. The diluted net loss per share attributable to common stockholders is computed by giving effect to all potential dilutive common stock equivalents outstanding for the period. For purposes of this calculation, our convertible preferred stock, stock options and early exercised stock options are considered to be potential common stock equivalents but have been excluded from the calculation of diluted net loss per share attributable to common stockholders as their effect is antidilutive.

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders:

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
				(unaudited)	
	(in thousands, except per share data)				
Net loss	$ (12,832)	$ (27,438)	$ (35,460)	$ (14,629)	$ (17,913)
Accretion of Series C and D redeemable convertible preferred stock	(147)	(8,648)	(9,570)	(4,733)	(5,109)
Net loss attributable to common stockholders	$ (12,979)	$ (36,086)	$ (45,030)	$ (19,362)	$ (23,022)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	35,279	39,772	43,832	42,800	46,687
Net loss per share attributable to common stockholders, basic and diluted	$ (0.37)	$ (0.91)	$ (1.03)	$ (0.45)	$ (0.49)

Since we were in a loss position for all periods presented, basic net loss per share is the same as diluted net loss per share as the inclusion of all potential common shares outstanding would have been anti-dilutive. 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:

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
				(unaudited)	
	(in thousands)				
Convertible preferred stock	104,568	108,751	108,751	108,751	108,751
Stock options	9,102	14,063	22,588	15,932	22,425
Early exercised stock options	6,674	3,551	2,831	2,456	1,757
Total	120,344	126,365	134,170	127,139	132,933

Unaudited Pro Forma Net Loss Per Share

We have presented the unaudited pro forma basic and diluted net loss per share for fiscal 2017 and the six months ended January 31, 2018, which has been computed to give effect to the conversion of our convertible preferred stock into common stock (using the if-converted method) as though the conversion had occurred as of the beginning of the period. The pro forma net loss per share does not include shares being offered in the assumed IPO.

The following table sets forth the computation of our unaudited pro forma basic and diluted net loss per share:

	Year Ended July 31, 2017	Six Months Ended January 31, 2018
	(in thousands, except per share data)	
Numerator:		
Net loss attributable to common stockholders	$ (45,030)	$ (23,022)
Accretion of Series C and D redeemable convertible preferred stock	9,570	5,109
Net loss	$ (35,460)	$ (17,913)
Denominator:		
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	43,832	46,687
Pro forma adjustment to reflect assumed conversion of our convertible preferred stock	108,751	108,751
Weighted-average shares used in computing pro forma net loss per share, basic and diluted	152,583	155,438
Pro forma net loss per share, basic and diluted	$ (0.23)	$ (0.12)

Note 10. Income Taxes

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"), which makes significant changes to the U.S. tax code. The Tax Act contains several key tax provisions that affect us, including, but not limited to, reducing the U.S. federal corporate tax rate from 34% to 21% for tax years beginning after December 31, 2017, imposing a one-time repatriation tax on deemed repatriated earnings and changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017. On December 22, 2017, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act ("SAB 118"), which provides guidance on accounting for the Tax Act's impact and allows registrants to record provisional amounts during a measurement period not to extend beyond one year of the enactment date.

We have not completed our accounting assessment for the effects of the Tax Act; however, based on our initial assessment, we have determined that the Tax Act did not have a material impact on our consolidated financial statements in our fiscal quarter ending January 31, 2018, the period in which the legislation was enacted. We currently maintain a full valuation allowance recorded against our U.S. federal deferred tax assets and we anticipate incurring a loss in fiscal 2018. As such, the remeasurement of the deferred tax assets and related valuation allowance is not expected to have a material impact to the financial statements in fiscal 2018, other than disclosures in our year-end financial statements. Because of our full valuation allowance, there is no tax expense associated with the one-time transition tax. We expect to complete our assessment within the measurement period in accordance with SAB 118. Our assessment of the impact of the Tax Act may materially differ from our provisional assessment during the measurement period due to, among other things, further refinement in our calculations, changes in interpretations and assumptions we have made, or guidance that may be issued.

The following table sets forth the geographical breakdown of the income (loss) before the provision for income taxes:

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
			(in thousands)	(unaudited)	
Domestic	$ (13,506)	$ (28,227)	$ (36,874)	$ (15,263)	$ (19,100)
International	907	1,257	2,291	1,001	1,833
Loss before income taxes	$ (12,599)	$ (26,970)	$ (34,583)	$ (14,262)	$ (17,267)

The following table sets forth the components of the provision for income taxes:

	Year Ended July 31,			Six Months Ended January 31,	
	2015	2016	2017	2017	2018
			(in thousands)	(unaudited)	
Current					
Federal	$ —	$ —	$ —	$ —	$ —
State	19	16	31	9	16
Foreign	214	452	874	358	676
Total current tax expense	233	468	905	367	692
Deferred					
Federal	—	—	—	—	—
State	—	—	—	—	—
Foreign	—	—	(28)	—	(46)
Total deferred tax expense	—	—	(28)	—	(46)
Total provision for income taxes	$ 233	$ 468	$ 877	$ 367	$ 646

The following table presents the reconciliation of the statutory federal income tax rate to our effective tax rate:

	Year Ended July 31,		
	2015	2016	2017
Tax at federal statutory rate	34.0%	34.0%	34.0%
State income taxes	2.3%	1.8%	1.5%
Valuation allowance	(33.4%)	(32.5%)	(32.4%)
Stock-based compensation	(4.3%)	(4.1%)	(2.8%)
Permanent differences	(1.0%)	(0.5%)	(2.6%)
Other, net	0.6%	(0.4%)	(0.2%)
Effective tax rate	(1.8%)	(1.7%)	(2.5%)

Our tax provision for interim periods is determined using an estimate of its annual effective tax rate, adjusted for discrete items, if any, that arise during the period. Each quarter, we update our estimate of the annual effective tax rate, and if the estimated annual effective tax rate changes, we make a cumulative adjustment in such period.

Our quarterly tax provision, and estimate of our annual effective tax rate, is subject to variation due to several factors, including variability in pre-tax income (or loss), the mix of jurisdictions to which such income relates, changes in how we do business, and tax law developments. Our estimated effective tax rate for the year

differs from the U.S. statutory rate of 34% primarily due to the benefit of a portion of our earnings being taxed at rates lower than the U.S. statutory rate.

Tax expense was $0.4 million and $0.6 million for the six months ended January 31, 2017 and 2018, respectively. The tax expense for the six months ended January 31, 2017 was attributable to our foreign operations. Our tax expense for the six months ended January 31, 2018 was attributable to our foreign operations offset by an excess tax benefit from stock-based compensation deductions.

The following table presents the tax effects of temporary differences that give rise to significant portions of our deferred tax assets and liabilities:

	July 31,	
	2016	2017
	(in thousands)	
Deferred tax assets:		
Net operating losses and credit carryover	$ 38,268	$ 54,130
Accruals and reserves	2,868	2,807
Deferred revenue	5,660	5,436
Stock-based compensation	204	571
Property and equipment	147	339
Other	713	569
Gross deferred tax assets	47,860	63,852
Less: Valuation allowance	(40,299)	(51,493)
Total deferred tax assets	7,561	12,359
Deferred tax liabilities:		
Deferred contract acquisition costs	(7,561)	(12,331)
Total deferred tax liabilities	(7,561)	(12,331)
Net deferred tax assets	$ —	$ 28

U.S. income tax has not been recognized on the excess of the amount for financial reporting over the tax basis of investments in foreign subsidiaries that is indefinitely reinvested outside the U.S. Generally, such amounts become subject to U.S. taxation upon the remittance of dividends and under certain other circumstances. This temporary difference, as well as the unrecognized deferred tax liability, are not material for the periods presented.

The following table presents the change in the valuation allowance:

	Year Ended July 31,		
	2015	2016	2017
		(in thousands)	
Beginning balance	$ 27,268	$ 31,483	$ 40,299
Additions charged to expense	4,215	8,816	11,194
Ending balance	$ 31,483	$ 40,299	$ 51,493

The realization of deferred tax assets is dependent upon the generation of sufficient taxable income of the appropriate character in future periods. We regularly assess the ability to realize our deferred tax assets and establish a valuation allowance if it is more-likely-than-not that some portion of the deferred tax assets will not be realized. We weigh all available positive and negative evidence, including our earnings history and results of recent operations, scheduled reversals of deferred tax liabilities, projected future taxable income, and tax

planning strategies. Due to the weight of objectively verifiable negative evidence, including our history of losses, we believe that it is more likely than not that our U.S. federal and, state deferred tax assets will not be realized as of July 31, 2016 and 2017, and as such, we have maintained a full valuation allowance against such deferred tax assets.

The amount of the deferred tax asset considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight may be given to subjective evidence such as our projections for growth. In the event we determine that we will be able to realize all or part of our net deferred tax assets in the future, the valuation allowance against deferred tax assets will be reversed in the period in which we make such determination. The release of a valuation allowance against deferred tax assets may cause greater volatility in the effective tax rate in the periods in which the valuation allowance is released. The valuation allowance against our U.S. federal and state deferred tax assets increased by $8.8 million and $11.2 million during fiscal 2016 and 2017, respectively. The increase in the valuation allowance for both periods was related to tax losses for which insufficient positive evidence exists to support their realizability.

As of July 31, 2016 and 2017, we have net operating loss carryforwards for U.S. federal income tax purposes of $104.5 million and $150.0 million, respectively, which are available to offset future federal taxable income. The net operating losses for federal purposes will begin expiring in 2027. As of July 31, 2016 and 2017, we have net operating loss carryforwards for state income tax purposes of $49.9 million and $68.3 million, respectively. The net operating losses for state purposes will begin expiring at different periods beginning in 2024.

As a result of certain realization requirements of Accounting Standards Codification Topic 718, *Compensation—Stock compensation*, the table of deferred tax assets and liabilities does not include certain deferred tax assets as of July 31, 2017, that arose directly from tax deductions related to stock-based compensation which was in excess of the amount recognized for financial reporting. Additional paid-in capital will be increased by $0.9 million if and when such deferred tax assets are ultimately realized.

As a result of the adoption of ASU 2016-09 on August 1, 2017, as further discussed in Note 2 (under Stock-Based Compensation) to the consolidated financial statements, we recognized a total U.S. federal and state deferred tax asset of $0.9 million for such previously unrecognized excess tax benefits which is offset by our U.S. federal and state valuation allowance. Under ASU 2016-09, the excess tax benefits and deficiencies are recognized in the period in which they occur. In the six months ended January 31, 2018, we recognized an immaterial amount of net excess tax benefit.

Federal and state tax laws impose restrictions on the utilization of net operating loss carryforwards in the event of a change in ownership of the Company as defined by the Internal Revenue Code, Section 382. Under Section 382 of the Code, substantial changes in our ownership and the ownership of acquired companies may limit the amount of net operating loss carry-forwards that are available to offset taxable income. The annual limitation would not automatically result in the loss of net operating loss carry-forwards but may limit the amount available in any given future period. Additional limitations on the use of these tax attributes could occur in the event of possible disputes arising in examination from various taxing authorities.

We recognize an uncertain tax position only if it is more likely than not that the position is sustainable upon examination by the taxing authority, based on the technical merits. We recognize interest and penalties associated with tax matters as part of the income tax provision. Our estimate of the potential outcome of any uncertain tax position is subject to management’s assessment of relevant risks, facts and circumstances existing at that time. For the periods presented, there are no material unrecognized benefits nor interest and penalties associated with these unrecognized tax benefits recorded in the consolidated financial statements.

Note 11. Segment and Geographic Information

Our chief operating decision maker ("CODM") is our chief executive officer. We derive our revenue primarily from sales of subscription services to our cloud platform and related support services. Our CODM reviews financial information presented on a consolidated basis for the purposes of allocating resources and evaluating financial performance. Accordingly, we determined that we operate as one operating segment.

Refer to Note 2 to our consolidated financial statements for revenue by geography.

Our long-lived assets are composed of property and equipment, net, and are summarized by geographic area as follows:

	July 31,		January 31, 2018 (unaudited)
	2016	2017	
	(in thousands)		
United States	$ 8,374	$ 9,372	$ 12,818
Rest of the world	2,734	3,767	4,040
Total property and equipment, net	$ 11,108	$ 13,139	$ 16,858

Note 12. 401(k) Plan

We have a defined-contribution plan intended to qualify under Section 401 of the Internal Revenue Code (the "401(k) Plan"). We contracted with a third-party provider to act as a custodian and trustee, and to process and maintain the records of participant data. Substantially all the expenses incurred for administrating the 401(k) Plan are paid by us. We have not made any matching contributions to date.

Note 13. Related Party Transactions

In November 2016, we recorded $4.4 million of stock-based compensation expense within research and development expense in the consolidated statements of operations associated with a one-time secondary stock purchase transaction which was executed among certain of our employees and certain of our affiliated stockholders, including entities controlled by Jay Chaudhry, our president, chief executive officer and chairman of our board of directors, and Lane Bess, a member of our board of directors. We assessed the impact of this transaction as holders of economic interest in our company acquired shares from our employees at a price in excess of fair value of such shares. Accordingly, we recognized such excess value as stock-based compensation expense.

We have entered into notes receivable agreements with certain of our current and former executives and employees in connection with the exercise of their stock options. Refer to Note 8 to our consolidated financial statements for further details.

Note 14. Subsequent Events

We evaluated subsequent events through October 2, 2017, the date on which the annual audited consolidated financial statements were issued.

Note 15. Subsequent Events (unaudited)

In preparing the unaudited interim consolidated financial statements as of January 31, 2018 and for the six months ended January 31, 2017 and 2018, we have evaluated subsequent events through February 16, 2018, the date the unaudited interim consolidated financial statements were available for issuance.


In a cloud and mobile world,
securing the corporate network
is *increasingly irrelevant.*
Rethink security.
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Almost 40 billion internet requests processed each day in the Zscaler cloud*
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2,800 customers including 200 of the Forbes Global 2000
zscaler™
* Calculated during our peak period over the past six months.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth all expenses to be paid by the Registrant, other than underwriting discounts and commissions, upon the completion of this offering. All amounts shown are estimates except for the SEC registration fee, the FINRA filing fee and the exchange listing fee.

	Amount to be Paid
SEC registration fee	$ 12,450
FINRA filing fee	15,500
Exchange listing fee	25,000
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees	6,500
Miscellaneous expenses	*
Total	$ *

* To be filed by amendment.

Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law authorizes a corporation's board of directors to grant, and authorizes a court to award, indemnity to officers, directors, and other corporate agents.

On the completion of this offering, as permitted by Section 102(b)(7) of the Delaware General Corporation Law, the Registrant's amended and restated certificate of incorporation will include provisions that eliminate the personal liability of its directors and officers for monetary damages for breach of their fiduciary duty as directors and officers.

In addition, as permitted by Section 145 of the Delaware General Corporation Law, the amended and restated certificate of incorporation and amended and restated bylaws of the Registrant will provide that:

- The Registrant shall indemnify its directors and officers for serving the Registrant in those capacities or for serving other business enterprises at the Registrant's request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person's conduct was unlawful.
- The Registrant may, in its discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law.
- The Registrant is required to advance expenses, as incurred, to its directors and officers in connection with defending a proceeding, except that such director or officer shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification.
- The Registrant will not be obligated pursuant to the amended and restated bylaws to indemnify a person with respect to proceedings initiated by that person, except with respect to proceedings authorized by the Registrant's board of directors or brought to enforce a right to indemnification.

- The rights conferred in the amended and restated certificate of incorporation and amended and restated bylaws are not exclusive, and the Registrant is authorized to enter into indemnification agreements with its directors, officers, employees, and agents and to obtain insurance to indemnify such persons.
- The Registrant may not retroactively amend the bylaw provisions to reduce its indemnification obligations to directors, officers, employees, and agents.

The Registrant's policy is to enter into separate indemnification agreements with each of its directors and officers that provide the maximum indemnity allowed to directors and executive officers by Section 145 of the Delaware General Corporation Law and also to provide for certain additional procedural protections. The Registrant also maintains directors and officers insurance to insure such persons against certain liabilities.

These indemnification provisions and the indemnification agreements entered into between the Registrant and its officers and directors may be sufficiently broad to permit indemnification of the Registrant's officers and directors for liabilities (including reimbursement of expenses incurred) arising under the Securities Act of 1933, as amended (Securities Act).

The underwriting agreement filed as Exhibit 1.1 to this registration statement provides for indemnification by the underwriters of the Registrant and its officers and directors for certain liabilities arising under the Securities Act and otherwise.

Item 15. Recent Sales of Unregistered Securities.

Since August 1, 2014, the Registrant issued the following unregistered securities:

Preferred Stock Issuances

From July 2015 through September 2015, the Registrant sold an aggregate of 18,404,496 shares of its Series D redeemable convertible preferred stock to five accredited investors at a purchase price of $5.9768 per share, for an aggregate purchase price of $109,999,992.

Option and Common Stock Issuances

Since August 1, 2014, the Registrant granted to its officers, directors, employees, consultants and other service providers options or restricted stock to purchase an aggregate of 35,023,459 shares of common stock at exercise prices ranging from $1.19 to $5.76 per share under its 2007 Stock Plan.

Since August 1, 2014, the Registrant issued and sold to its officers, directors, employees, consultants and other service providers an aggregate of 13,333,240 shares of common stock upon exercise of options or issuance of restricted stock under its 2007 Stock Plan at exercise prices ranging from $0.01 to $4.12 per share, for a weighted-average exercise price of $1.80 per share.

The Registrant believes these transactions were exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder, or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions. All recipients had adequate access, through their relationships with the Registrant, to information about the Registrant.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

The Registrant filed the exhibits listed on the accompanying Exhibit Index of this Registration Statement, which is incorporated by reference herein.

(b) Financial Statement Schedules.

All financial statement schedules are omitted because the information called for is not required or is shown either in the consolidated financial statements or in the notes thereto.

Item 17. Undertakings.

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

EXHIBIT INDEX

Exhibit Number	Description
1.1	Form of Underwriting Agreement.
3.1	Amended and Restated Certificate of Incorporation of the Registrant, as amended, as currently in effect.
3.2	Form of Amended and Restated Certificate of Incorporation of the Registrant, to be in effect upon the completion of this offering.
3.3	Bylaws of the Registrant, as currently in effect.
3.4	Form of Amended and Restated Bylaws of the Registrant, to be in effect upon the completion of this offering.
4.1	Amended and Restated Investors' Rights Agreement among the Registrant and certain holders of its capital stock, dated as of July 24, 2015.
4.2	Form of common stock certificate of the Registrant.
5.1*	Opinion of Wilson Sonsini Goodrich & Rosati, P.C.
10.1+	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.
10.2+*	Fiscal Year 2018 Equity Incentive Plan and related form agreements.
10.3+*	Fiscal Year 2018 Employee Stock Purchase Plan and related form agreements.
10.4+	2007 Stock Plan and related form agreements.
10.5+	Employee Incentive Compensation Plan.
10.6+	Sales Compensation Plan.
10.7+	Change of Control and Severance Policy.
10.8+	Employment Agreement between the Registrant and Jagtar S. Chaudhry, dated as of August 23, 2017.
10.9+	Offer Letter between the Registrant and Manoj Apte, dated as of June 19, 2008.
10.10+	Offer Letter between the Registrant and Remo Canessa, dated as of January 8, 2017.
10.11+	Offer Letter between the Registrant and Robert Schlossman, dated as of December 22, 2015.
10.12+	Offer Letter between the Registrant and Amit Sinha, dated as of October 18, 2010.
10.13+	Offer Letter between the Registrant and William E. Welch, dated as of November 25, 2014.
10.14+	Offer Letter between the Registrant and Karen Blasing, dated as of December 23, 2016.
10.15+	Offer Letter between the Registrant and Andrew Brown, dated as of October 14, 2015.
10.16+	Offer Letter between the Registrant and Scott Darling, dated as of November 16, 2016.
10.17+	Offer Letter between the Registrant and Charles Giancarlo, dated as of November 22, 2016.
10.18	Office Lease Agreement, by and between the Registrant and SRI Eleven Row LLC, dated as of June 30, 2015.
10.19	First Amendment to Office Lease Agreement, by and between the Registrant and SRI Eleven Row LLC, dated as of October 30, 2015.
10.20	Office Lease by and between the Registrant and US ER America Center 2, LLC, dated as of June 9, 2017.
21.1	List of subsidiaries of the Registrant.
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.
23.2*	Consent of Wilson Sonsini Goodrich & Rosati, P.C. (included in Exhibit 5.1).
24.1	Power of Attorney (see the signature page to this Registration Statement on Form S-1).

* To be filed by amendment.
\+ Indicates management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this registration statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in San Jose, California, on the 16th day of February, 2018.

ZSCALER, INC.

By: /s/ Jagtar S. Chaudhry
Jagtar S. Chaudhry
President, Chief Executive Officer and Chairman of the Board of Directors

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Jagtar S. Chaudhry and Remo Canessa, and each of them, as his or her true and lawful attorney-in-fact and agent with full power of substitution, for him or her in any and all capacities, to sign any and all amendments to this registration statement (including post-effective amendments or any abbreviated registration statement and any amendments thereto filed pursuant to Rule 462(b) under the Securities Act of 1933 increasing the number of securities for which registration is sought), and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact, proxy, and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact, proxy and agent, or his substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement on Form S-1 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Jagtar S. Chaudhry Jagtar S. Chaudhry	President, Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	February 16, 2018
/s/ Remo Canessa Remo Canessa	Chief Financial Officer (Principal Accounting and Financial Officer)	February 16, 2018
/s/ Lane Bess Lane Bess	Director	February 16, 2018
/s/ Karen Blasing Karen Blasing	Director	February 16, 2018
/s/ Andrew Brown Andrew Brown	Director	February 16, 2018
/s/ Scott Darling Scott Darling	Director	February 16, 2018

Signature	Title	Date
/s/ Charles Giancarlo Charles Giancarlo	Director	February 16, 2018
/s/ Nehal Raj Nehal Raj	Director	February 16, 2018
/s/ Amit Sinha Amit Sinha	Director	February 16, 2018

Exhibit 1.1

[•] Shares

ZSCALER, INC.

COMMON STOCK, PAR VALUE $0.001 PER SHARE

UNDERWRITING AGREEMENT

[•], 2018

[•], 2018

Morgan Stanley & Co. LLC
Goldman Sachs & Co. LLC

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

c/o Goldman Sachs & Co. LLC
200 West Street
New York, New York 10282

Ladies and Gentlemen:

Zscaler, Inc., a Delaware corporation (the "**Company**"), proposes to issue and sell to the several Underwriters named in Schedule I hereto (the "**Underwriters**"), for whom Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC are acting as representatives (the "**Representatives**"), [•] shares of its common stock, par value $0.001 per share (the "**Firm Shares**"). The Company also proposes to issue and sell to the several Underwriters not more than an additional [•] shares of its common stock, par value $[•] per share (the "**Additional Shares**"), if and to the extent that the Representatives shall have determined to exercise, on behalf of the Underwriters, the right to purchase such shares of common stock granted to the Underwriters in Section 2 hereof. The Firm Shares and the Additional Shares are hereinafter collectively referred to as the "**Shares.**" The shares of common stock, par value $[•] per share, of the Company to be outstanding after giving effect to the sales contemplated hereby are hereinafter referred to as the "**Common Stock.**"

The Company has filed with the Securities and Exchange Commission (the "**Commission**") a registration statement on Form S-1 (File No. [•]), including a prospectus, relating to the Shares. The registration statement as amended at the time it becomes effective, including the information (if any) deemed to be part of the registration statement at the time of effectiveness pursuant to Rule 430A under the Securities Act of 1933, as amended (the "**Securities Act**"), is hereinafter referred to as the "**Registration Statement**"; the prospectus in the form first used to confirm sales of the Shares (or in the form first made available to the Underwriters by the Company to meet requests of purchasers pursuant to Rule 173 under the Securities Act) is hereinafter referred to as the "**Prospectus.**" If the Company has filed an abbreviated registration statement to register additional shares of Common Stock pursuant to Rule 462(b) under the Securities Act (the "**Rule 462 Registration Statement**"), then any reference herein to the term "**Registration Statement**" shall be deemed to include such Rule 462 Registration Statement.

For purposes of this Agreement, "**free writing prospectus**" has the meaning set forth in Rule 405 under the Securities Act, "**Time of Sale Prospectus**" means the preliminary prospectus contained in the Registration Statement at the time of its effectiveness together with the documents and pricing information set forth in Schedule II hereto, and "**broadly available road show**" means a "bona fide electronic road show" as defined in Rule 433(h)(5) under the Securities Act that has been made available without restriction to any person. As used herein, the terms "Registration Statement," "preliminary prospectus," "Time of Sale Prospectus" and "Prospectus" shall include the documents, if any, incorporated by reference therein as of the date hereof.

1. *Representations and Warranties*. The Company represents and warrants to and agrees with each of the Underwriters that:

(a) The Registration Statement has become effective; no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose are pending before or, to the Company's knowledge, threatened by the Commission.

(b) (i) The Registration Statement, when it became effective, did not contain and, as amended or supplemented, if applicable, will not contain, as of the date of such amendment or supplement, any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the Registration Statement and the Prospectus comply and, as amended or supplemented, if applicable, will comply, as of the date of such amendment or supplement, in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder, (iii) the Time of Sale Prospectus does not, and at the time of each sale of the Shares in connection with the offering when the Prospectus is not yet available to prospective purchasers and at the Closing Date (as defined in Section 4), the Time of Sale Prospectus, as then amended or supplemented by the Company, if applicable, will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, (iv) each broadly available road show, if any, when considered together with the Time of Sale Prospectus, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (v) the Prospectus, as of its date, does not contain and, as amended or supplemented, if applicable, will not contain as of the date of such amendment or supplement or as of the Closing Date and each Option Closing Date (as defined in Section 2) any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to statements or omissions in the Registration Statement, the Time of Sale Prospectus or the Prospectus based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives or on their behalf expressly for use therein.

(c) The Company is not an "ineligible issuer" in connection with the offering pursuant to Rules 164, 405 and 433 under the Securities Act. Any free writing prospectus that the Company is required to file pursuant to Rule 433(d) under the Securities Act has been, or will be, filed with the Commission in accordance with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Each free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act or that was prepared by or on behalf of or used or referred to by the Company complies, or if filed after the effective date of this Agreement will comply when filed, in all material respects with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Except for the free writing prospectuses, if any, identified in Schedule II hereto, and electronic road shows, if any, each furnished to the Representatives before first use, the Company has not prepared, used or referred to, and will not, without the prior consent of the Representatives, prepare, use or refer to, any free writing prospectus.

(d) The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the State of Delaware, has the corporate power and authority to own or lease its property and to conduct its business as described in the Time of Sale Prospectus and the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(e) Each significant subsidiary (as such term is defined in Rule 1-02 of Regulation S-X under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) of the Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation (to the extent the concept of good standing is applicable in such jurisdiction), has the corporate power and authority to own its property and to conduct its business as described in the Time of Sale Prospectus and the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole; all of the issued shares of capital stock of each significant subsidiary (as such term is defined in Rule 1-02 of Regulation S-X under the Exchange Act) of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims, except to the extent that such liens, encumbrances, equity or claims would not reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(f) This Agreement has been duly authorized, executed and delivered by the Company.

(g) As of the Closing Date, the authorized capital stock of the Company will conform as to legal matters in all material respects to the description thereof contained in each of the Time of Sale Prospectus and the Prospectus.

(h) The shares of Common Stock outstanding prior to the issuance of the Shares have been duly authorized and are validly issued, fully paid and non-assessable.

(i) The Shares have been duly authorized and, when paid for, issued and delivered in accordance with the terms of this Agreement, will be validly issued, fully paid and non-assessable, and the issuance of such Shares will not be subject to any preemptive or similar rights that have not been validly waived.

(j) With respect to the stock options granted pursuant to the stock-based compensation plans of the Company and its subsidiaries (the "**Company Stock Plans**"), (i) each grant of a stock option was duly authorized no later than the date on which the grant of such stock option was by its terms to be effective by all necessary corporate action, including, as applicable, approval by the board of directors of the Company (or a duly constituted and authorized committee thereof) and any required stockholder approval by the necessary number of votes or written consents, and the award agreement governing such grant (if any) was duly executed and delivered by each party thereto, and (ii) each such grant was made in accordance with the terms of the Company Stock Plans, and all applicable laws and regulatory rules or requirements, including all applicable federal securities laws.

(k) The execution and delivery by the Company of, and the performance by the Company of its obligations under, this Agreement will not contravene any provision of (i) applicable law, (ii) the certificate of incorporation or by-laws of the Company, (iii) any agreement or other instrument binding upon the Company or any of its subsidiaries that is material to the Company and its subsidiaries, taken as a whole, or (iv) any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or any subsidiary, except that in the case of clauses (i) and (iii) above, where such contravention would not, individually or in the aggregate, reasonably be likely to have a material adverse effect on the Company or any of its subsidiaries, taken as a whole, or on the power or ability of the Company to perform its obligations under this Agreement, and no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by the Company of its obligations under this Agreement, except such as has previously been obtained and such as may be required by the securities or Blue Sky laws of the various states or foreign jurisdictions or the rules and regulations of the Financial Industry Regulatory Authority, Inc. ("**FINRA**") in connection with the offer and sale of the Shares.

(l) There has not occurred any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus.

(m) Neither the Company nor any of its subsidiaries is (i) in violation of its respective certificate of incorporation or bylaws; (ii) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument (including any agreement with respect to Company Intellectual Property) to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject; or (iii) in violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority applicable to the Company, any of its subsidiaries or their respective businesses and properties, except, in the case of clauses (ii) and (iii) above, for any such default or violation that would not, individually or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(n) There are no legal or governmental proceedings pending or, to the Company's knowledge, threatened to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject (i) other than proceedings accurately described in all material respects in the Time of Sale Prospectus and the Prospectus and proceedings that would not reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole, or on the power or ability of the Company to perform its obligations under this Agreement or to consummate the transactions contemplated by the Time of Sale Prospectus and the Prospectus or (ii) that are required to be described in the Registration Statement or the Prospectus and are not so described in all material respects; and there are no statutes, regulations, contracts or other documents to which the Company or any of its subsidiaries is subject or by which the Company or any of its subjects is bound that are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement that are not described in all material respects or filed as required.

(o) Each preliminary prospectus filed as part of the Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the Securities Act, complied when so filed in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder.

(p) The Company is not, and after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Prospectus will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(q) The Company and its subsidiaries, taken as a whole, (i) are in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("**Environmental Laws**"), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(r) There are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) which would, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(s) There are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company or to require the Company to include such securities with the Shares registered pursuant to the Registration Statement, except as have been validly waived or complied with in connection with the issuance and sale of the Shares contemplated hereby and as have been described in the Time of Sale Prospectus and the Prospectus.

(t) (i) None of the Company or its subsidiaries or controlled affiliates, or any director, officer, or employee thereof, or, to the Company's knowledge, any agent or representative of the Company or of any of its subsidiaries or controlled affiliates, has taken or will take any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment, giving or receipt of money, property, gifts or anything else of value, directly or indirectly, to any government official (including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) ("**Government Official**") in order to improperly influence official action, or to any person in violation of any applicable anti-corruption laws; (ii) the Company and its subsidiaries and controlled affiliates have conducted their businesses in compliance with applicable anti-corruption laws and have instituted and maintained and will continue to maintain policies and procedures reasonably designed to promote and achieve compliance with such laws and with the representations and warranties contained herein; and (iii) neither the Company nor its subsidiaries will use, directly or indirectly, the proceeds of the offering in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of any applicable anti-corruption laws.

(u) The operations of the Company and its subsidiaries are and have been conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements, including those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and the applicable anti-money laundering statutes of jurisdictions where the Company and its subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental or regulatory agency (collectively, the "**Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental or regulatory agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(v) (i) None of the Company, any of its subsidiaries, or any director, officer, or employee thereof, or, to the Company's knowledge, any agent, controlled affiliate or representative of the Company or any of its subsidiaries, is an individual or entity ("**Person**") that is, or is owned or controlled by one or more Persons that are:

(A) the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control, the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority (collectively, "**Sanctions**"), or

(B) located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Crimea, Cuba, Iran, North Korea, Sudan and Syria).

(ii) The Company will not, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person:

(A) to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions; or

(B) in any other manner that will result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise).

(iii) For the past five years, the Company and its subsidiaries have not knowingly engaged in, are not now knowingly engaged in, and will not engage in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions.

(w) Subsequent to the respective dates as of which information is given in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, (i) the Company and its subsidiaries have not incurred any material liability or obligation, direct or contingent, nor entered into any material transaction; (ii) the Company has not purchased any of its outstanding capital stock (except for acquisitions of capital stock by the Company pursuant to agreements that permit the Company to repurchase such shares upon the applicable party's termination of service to the Company or in connection with the exercise of the Company's right of first refusal upon a proposed transfer), nor declared, paid or otherwise made any dividend or distribution of any kind on its capital stock other than ordinary and customary dividends; and (iii) there has not been any material change in the capital stock (other than exercise or forfeiture of equity awards outstanding on such respective dates as of which information is given in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, in each case granted pursuant to equity compensation plans described in the Time of Sale Prospectus), short-term debt or long-term debt of the Company and its subsidiaries, taken as a whole, except in each case as described in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, respectively.

(x) The Company and its subsidiaries do not own any real property. The Company and its subsidiaries have good and marketable title to all personal property (other than intellectual property, which is covered by Section 1(y) below) owned by them which is material to the business of the Company and its subsidiaries, taken as a whole, in each case free and clear of all liens, encumbrances and defects except such as are described in the Time of Sale Prospectus and the Prospectus or such as do not materially diminish the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries; and any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and, to the Company's knowledge, enforceable leases with such exceptions as are not material and do not materially interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries taken as a whole, in each case except as described in the Time of Sale Prospectus and the Prospectus.

(y) The Company and its subsidiaries own or possess, have licenses to, or can acquire on commercially reasonable terms, sufficient rights to use all material patents, patent rights, licenses, inventions, copyrights, know how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks and trade names currently employed by them in connection with the business now operated by them (the "**Company Intellectual Property**"), except where the failure to own or license any of the foregoing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, and neither the Company nor any of its subsidiaries has received any written notice of infringement of or conflict with asserted rights of others with respect to any of the foregoing which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(z) Except as would not, individually or in the aggregate, reasonably be expected to result in a material adverse effect on the Company and its subsidiaries, taken as a whole, (A) each Plan (as defined below) has been maintained in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") and the Internal Revenue Code of 1986, as amended (the "**Code**"); (B) no non-exempt prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Plan; (C) for each Plan, no failure to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA), whether or not waived, has occurred or is reasonably expected to occur; (D) no "reportable event" (within the meaning of Section 4043(c) of ERISA, other than those events as to which notice is waived) has occurred or is reasonably expected to occur; and (E) neither the Company nor any member of its "Controlled Group" (defined as any organization which is a member of a controlled group of corporations within the meaning of Section 414 of the Code) has incurred, nor is reasonably expected to incur, any liability under Title IV of ERISA (other than contributions to any Plan or any Multiemployer Plan or premiums to the PBGC, in the ordinary course and without default) in respect of a Plan or a Multiemployer Plan. For purposes of this paragraph, (x) the term "Plan" means an employee benefit plan, within the meaning of Section 3(3) of ERISA, subject to Title IV of ERISA, but excluding any Multiemployer Plan, for which the Company or any member of its "Controlled Group" has any liability and (y) the term "Multiemployer Plan" means a multiemployer plan within the meaning of Section 4001(a)(3) of ERISA.

(aa) No material labor dispute with the employees of the Company or any of its subsidiaries exists, except as described in the Time of Sale Prospectus and the Prospectus, or, to the knowledge of the Company, is imminent; and the Company is not aware of any existing, threatened or imminent labor disturbance by the employees of any of its principal suppliers, manufacturers or contractors that could have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(bb) The Company and each of its subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as the Company reasonably believes are prudent and customary in the businesses in which they are engaged; neither the Company nor any of its subsidiaries has been refused any insurance coverage sought or applied for; and neither the Company nor any of its subsidiaries has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, except as described in the Time of Sale Prospectus and the Prospectus.

(cc) The Company and its subsidiaries, taken as a whole, possess all certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses, except where the failure to obtain such certificates, authorizations or permits would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole, and neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse effect on the Company and its subsidiaries, taken as a whole, except as described in the Time of Sale Prospectus and the Prospectus.

(dd) The Company and its subsidiaries, taken as a whole, maintain a system of internal accounting controls designed to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with U.S. generally accepted accounting principles ("**U.S. GAAP**") and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as described in the Time of Sale Prospectus and the Prospectus, since the end of the Company's most recent audited fiscal year, there has been (i) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (ii) no change in the Company's internal control over financial reporting that has materially and adversely affected, or is reasonably likely to materially and adversely affect, the Company's internal control over financial reporting.

(ee) The financial statements of the Company filed with the Commission as a part of the Registration Statement and included in the Time of Sale Prospectus and the Prospectus comply as to form in all material respects with the applicable accounting requirements of the Securities Act and present fairly the financial position of the Company as of the dates indicated and the results of its operations and cash flows for the periods specified. Such financial statements have been prepared in conformity with U.S. GAAP applied on a consistent basis throughout the periods involved. The other financial information included in the Registration Statement, the Time of Sale Prospectus and the Prospectus has been derived from the accounting records of the Company and its subsidiaries and presents fairly in all material respects the information shown thereby.

(ff) PricewaterhouseCoopers LLP, which has expressed its opinion with respect to certain of the financial statements of the Company and its subsidiaries filed with the Commission as part of the Registration Statement and included in each of the Time of Sale Prospectus and the Prospectus, is an independent registered public accounting firm with respect to the Company and its subsidiaries within the applicable rules and regulations adopted by the Commission and the Public Company Accounting Oversight Board (United States) and as required by the Securities Act.

(gg) Nothing has come to the attention of the Company that has caused the Company to believe that the statistical, industry and market related data included in the Registration Statement, the Time of Sale Prospectus and the Prospectus is not based on or derived from sources that are reliable and accurate in all material respects. To the Company's knowledge, after reasonable investigation, it has obtained, to the extent required, the consent of the applicable third party for the use of such data.

(hh) To the extent required under applicable rules, the Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act) that comply with the requirements of the Exchange Act applicable to the Company upon completion of the sale of the Shares; such disclosure controls and procedures have been designed to ensure that material information relating to the Company and its subsidiaries is made known to the Company's principal executive officer and principal financial officer by others within those entities; and such disclosure controls and procedures are effective.

(ii) Except as described in the Time of Sale Prospectus and the Prospectus, the Company has not sold, issued or distributed any shares of Common Stock during the six-month period preceding the date hereof, including any sales pursuant to Rule 144A under, or Regulation D or S of, the Securities Act, other than shares issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans or pursuant to outstanding options, rights or warrants.

(jj) The Company and each of its subsidiaries have filed all federal, state, local and foreign tax returns required to be filed through the date of this Agreement or have requested extensions thereof (except where the failure to file would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole) and have paid all taxes required to be paid thereon (except for cases in which the failure to file or pay would not reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole, or, except as are currently being contested in good faith and for which reserves required by U.S. GAAP have been created in the financial statements of the Company), and no unpaid tax deficiency has been determined adversely to the Company or any of its subsidiaries which has had (nor does the Company nor any of its subsidiaries have any notice or knowledge of any unpaid tax deficiency which would reasonably be expected to be determined adversely to the Company or its subsidiaries and which could reasonably be expected to have) a material adverse effect on the Company and its subsidiaries, taken as a whole.

(kk) The Company has taken all necessary actions to ensure that, upon the effectiveness of the Registration Statement, it will be in compliance with all provisions of the Sarbanes-Oxley Act of 2002, as amended (the "**Sarbanes-Oxley Act**"), and all rules and regulations promulgated thereunder applicable to the Company at such time, and is taking steps designed to ensure that it will be in compliance, at all times, with the other provisions of the Sarbanes-Oxley Act when they become applicable to the Company after the effectiveness of the Registration Statement.

(ll) The Company has not taken, directly or indirectly, any action designed to or that would reasonably be expected to cause or result in any stabilization or manipulation of the price of the Shares.

(mm) From the time of initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged directly or through any person authorized to act on its behalf in any Testing-the-Waters Communication) through the date hereof, the Company has been and is an "emerging growth company," as defined in Section 2(a) of the Securities Act (an "**Emerging Growth Company**"). "**Testing-the-Waters Communication**" means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Securities Act.

(nn) The Company (i) has not alone engaged in any Testing-the-Waters Communication other than Testing-the-Waters Communications with the consent of the Representatives with entities that are qualified institutional buyers within the meaning of Rule 144A under the Securities Act or institutions that are accredited investors within the meaning of Rule 501 under the Securities Act and (ii) has not authorized anyone other than the Representatives to engage in Testing-the-Waters Communications. The Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Testing-the-Waters Communications. The Company has not distributed any Written Testing-the-Waters Communications other than those listed on Schedule III hereto. "**Written Testing-the-Waters Communication**" means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act.

(oo) As of the time of each sale of the Shares in connection with the offering when the Prospectus is not yet available to prospective purchasers, none of (A) the Time of Sale Prospectus, (B) any free writing prospectus, when considered together with the Time of Sale Prospectus, and (C) any individual Written Testing-the-Waters Communication, when considered together with the Time of Sale Prospectus, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through or on behalf of the Representatives for use therein.

(pp) The Company and each of its subsidiaries have complied, and are presently in compliance, with their privacy and security policies, and with all applicable obligations, laws and regulations regarding the collection, use, transfer, storage, protection, disposal or disclosure of personally identifiable information or any other information collected from or provided by third parties, except to the extent that any such failure would not reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole. The Company and its subsidiaries have taken commercially reasonable steps to protect the information technology systems and data used in connection with the operation of the Company or its subsidiaries. The Company and its subsidiaries have used commercially reasonable efforts to establish, and have established, commercially reasonable disaster recovery and security plans, procedures and facilities for the business, including, without limitation, for the information technology systems and data held or used by or for the Company or any of its subsidiaries. There has been no material security breach or attack or other compromise of or relating to any such information technology system or data that would reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole.

2. *Agreements to Sell and Purchase.* The Company hereby agrees to sell to the several Underwriters, and each Underwriter, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees, severally and not jointly, to purchase from the Company the respective numbers of Firm Shares set forth in Schedule I hereto opposite its name at $[•] a share (the "**Purchase Price**").

On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, the Company agrees to sell to the Underwriters the Additional Shares, and the Underwriters shall have the right to purchase, severally and not jointly, up to [•] Additional Shares at the Purchase Price, provided, however, that the amount paid by the Underwriters for any Additional Shares shall be reduced by an amount per share equal to any dividends declared by the Company and payable on the Firm Shares but not payable on such Additional Shares. The Representatives may exercise this right on behalf of the Underwriters in whole or from time to time in part by giving written notice not later than 30 days after the date of this Agreement. Any exercise notice shall specify the number of Additional Shares to be purchased by the Underwriters and the date on which such shares are to be purchased. Each purchase date must be at least one business day after the written notice is given and may not be earlier than the closing date for the Firm Shares nor later than ten business days after the date of such notice. Additional Shares may be purchased as provided in Section 4 hereof solely for the purpose of covering over-allotments made in connection with the offering of the Firm Shares. On each day, if any, that Additional Shares are to be purchased (an "**Option Closing Date**"), each Underwriter agrees, severally and not jointly, to purchase the number of Additional Shares (subject to such adjustments to eliminate fractional shares as the Representatives may determine) that bears the same proportion to the total number of Additional Shares to be purchased on such Option Closing Date as the number of Firm Shares set forth in Schedule I hereto opposite the name of such Underwriter bears to the total number of Firm Shares.

3. *Terms of Public Offering*. The Company is advised by the Representatives that the Underwriters propose to make a public offering of their respective portions of the Shares as soon after the Registration Statement and this Agreement have become effective as in the judgment of the Representatives is advisable. The Company is further advised by the Representatives that the Shares are to be offered to the public initially at $[•] a share (the "**Public Offering Price**") and to certain dealers selected by the Representatives at a price that represents a concession not in excess of $[•] a share under the Public Offering Price.

4. *Payment and Delivery.* Payment for the Firm Shares shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Firm Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on [•], 2017, or at such other time on the same or such other date, not later than [•], 2017, as shall be designated in writing by the Representatives. The time and date of such payment are hereinafter referred to as the "**Closing Date**."

Payment for any Additional Shares shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Additional Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on the date specified in the corresponding notice described in Section 2 or at such other time on the same or on such other date, in any event not later than [•], 2017, as shall be designated in writing by the Representatives.

The Firm Shares and Additional Shares shall be registered in such names and in such denominations as Morgan Stanley & Co. LLC shall request in writing not later than one full business day prior to the Closing Date or the applicable Option Closing Date, as the case may be. The Firm Shares and Additional Shares shall be delivered to Morgan Stanley & Co. LLC on the Closing Date or an Option Closing Date, as the case may be, for the respective accounts of the several Underwriters, with any transfer taxes payable in connection with the transfer of the Shares to the Underwriters duly paid, against payment of the Purchase Price therefor.

5. *Conditions to the Underwriters' Obligations*. The obligations of the Company to sell the Shares to the Underwriters and the several obligations of the Underwriters to purchase and pay for the Shares on the Closing Date are subject to the condition that the Registration Statement shall have become effective not later than [•] (New York City time) on the date hereof.

The several obligations of the Underwriters are subject to the following further conditions:

(a) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date:

(i) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any of the securities of the Company or any of its subsidiaries by any "nationally recognized statistical rating organization," as such term is defined in Section 3(a)(62) of the Exchange Act; and

(ii) there shall not have occurred any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus and the Prospectus that, in the judgment of the Representatives, is material and adverse and that makes it, in the judgment of the Representatives, impracticable to market the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus and the Prospectus.

(b) The Underwriters shall have received on the Closing Date a certificate, dated the Closing Date and signed on behalf of the Company by an executive officer of the Company, to the effect set forth in Section 5(a)(i) above and to the effect that the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Date and that the Company has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date.

The officer signing and delivering such certificate may rely upon his or her knowledge as to proceedings threatened.

(c) The Underwriters shall have received on the Closing Date an opinion of Wilson Sonsini Goodrich & Rosati, Professional Corporation, outside counsel for the Company, dated the Closing Date, in form and substance reasonably satisfactory to the Representatives.

(d) The Underwriters shall have received on the Closing Date an opinion of Cooley LLP, counsel for the Underwriters, dated the Closing Date, in form and substance satisfactory to the Underwriters.

With respect to Sections 5(c) and (d) above, Wilson Sonsini Goodrich & Rosati, Professional Corporation and Cooley LLP may state that their opinions and beliefs are based upon their participation in the preparation of the Registration Statement, the Time of Sale Prospectus and the Prospectus and any amendments or supplements thereto and review and discussion of the contents thereof, but are without independent check or verification, except as specified.

The opinion of Wilson Sonsini Goodrich & Rosati, Professional Corporation described in Section 5(c) above shall be rendered to the Underwriters at the request of the Company and shall so state therein.

(e) The Underwriters shall have received, on each of the date hereof and the Closing Date, a letter dated the date hereof or the Closing Date, as the case may be, in form and substance satisfactory to the Underwriters, from PricewaterhouseCoopers LLP, independent public accountants, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus; *provided* that the letter delivered on the Closing Date shall use a "cut-off date" not earlier than the date hereof.

(f) The “lock-up” agreements, each substantially in the form of Exhibit A hereto, executed by substantially all securityholders, officers and directors of the Company relating to sales and certain other dispositions of shares of Common Stock or certain other securities, delivered to the Representatives on or before the date hereof, shall be in full force and effect on the Closing Date.

(g) The chief financial officer of the Company shall have delivered to the Underwriters, on each of the date hereof and on the Closing Date, a certificate in a form reasonably acceptable to the Representatives.

(h) The several obligations of the Underwriters to purchase Additional Shares hereunder are subject to the delivery to the Representatives on the applicable Option Closing Date of the following:

(i) a certificate, dated the Option Closing Date and signed by an executive officer of the Company, confirming that the certificate delivered on the Closing Date pursuant to Section 5(b) hereof remains true and correct as of such Option Closing Date;

(ii) an opinion of Wilson Sonsini Goodrich & Rosati, Professional Corporation, outside counsel for the Company, dated the Option Closing Date, relating to the Additional Shares to be purchased on such Option Closing Date and otherwise to the same effect as the opinion required by Section 5(c) hereof;

(iii) an opinion of Cooley LLP, counsel for the Underwriters, dated the Option Closing Date, relating to the Additional Shares to be purchased on such Option Closing Date and otherwise to the same effect as the opinion required by Section 5(d) hereof;

(iv) a letter dated the Option Closing Date, in form and substance satisfactory to the Underwriters, from PricewaterhouseCoopers LLP, independent public accountants, substantially in the same form and substance as the letter furnished to the Underwriters pursuant to Section 5(e) hereof; *provided* that the letter delivered on the Option Closing Date shall use a “cut-off date” not earlier than three business days prior to such Option Closing Date;

(v) a certificate, dated the Option Closing Date and signed by the chief financial officer of the Company substantially in the same form and substance as the letter furnished to the Underwriters pursuant to Section 5(f) hereof; and

(vi) such other documents as the Representatives may reasonably request with respect to the good standing of the Company, the due authorization and issuance of the Additional Shares to be sold on such Option Closing Date and other matters related to the issuance of such Additional Shares.

6. *Covenants of the Company*. The Company covenants with each Underwriter as follows:

(a) To furnish to the Representatives, without charge, seven signed copies of the Registration Statement (including exhibits thereto) and for delivery to each other Underwriter a conformed copy of the Registration Statement (without exhibits thereto) and to furnish to the Representatives in New York City, without charge, prior to 10:00 a.m. New York City time on the business day next succeeding the date of this Agreement and during the period mentioned in Section 6(e) or 6(f) below, as many copies of the Time of Sale Prospectus, the Prospectus and any supplements and amendments thereto or to the Registration Statement as the Representatives may reasonably request.

(b) Before amending or supplementing the Registration Statement, the Time of Sale Prospectus or the Prospectus, to furnish to the Representatives a copy of each such proposed amendment or supplement and not to file any such proposed amendment or supplement to which the Representatives reasonably object, and to file with the Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule.

(c) To furnish to the Representatives a copy of each proposed free writing prospectus to be prepared by or on behalf of, used by, or referred to by the Company and not to use or refer to any proposed free writing prospectus to which the Representatives reasonably object.

(d) Not to take any action that would result in an Underwriter or the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of the Underwriter that the Underwriter otherwise would not have been required to file thereunder.

(e) If the Time of Sale Prospectus is being used to solicit offers to buy the Shares at a time when the Prospectus is not yet available to prospective purchasers and any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Time of Sale Prospectus in order to make the statements therein, in the light of the circumstances, not misleading, or if any event shall occur or condition exist as a result of which the Time of Sale Prospectus conflicts with the information contained in the Registration Statement then on file, or if, in the reasonable opinion of counsel for the Underwriters, it is necessary to amend or supplement the Time of Sale Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to any dealer upon request, either amendments or supplements to the Time of Sale Prospectus so that the statements in the Time of Sale Prospectus as so amended or supplemented will not, in the light of the circumstances when the Time of Sale Prospectus is delivered to a prospective purchaser, be misleading or so that the Time of Sale Prospectus, as amended or supplemented, will no longer conflict with the Registration Statement, or so that the Time of Sale Prospectus, as amended or supplemented, will comply with applicable law.

(f) If, during such period after the first date of the public offering of the Shares as in the reasonable opinion of counsel for the Underwriters the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is required by law to be delivered in connection with sales by an Underwriter or dealer, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is delivered to a purchaser, not misleading, or if, in the reasonable opinion of counsel for the Underwriters, it is necessary to amend or supplement the Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to the dealers (whose names and addresses the Representatives will furnish to the Company) to which Shares may have been sold by the Representatives on behalf of the Underwriters and to any other dealers upon request, either amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is delivered to a purchaser, be misleading or so that the Prospectus, as amended or supplemented, will comply with applicable law.

(g) To endeavor to qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Representatives shall reasonably request; *provided* that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to service of process in suits, other than those arising out of the offering or sale of the Shares, or taxation in any jurisdiction where it is not now so subject.

(h) To make generally available to the Company's security holders and to the Representatives as soon as practicable an earnings statement covering a period of at least twelve months beginning with the first fiscal quarter of the Company occurring after the date of this Agreement which shall satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

(i) Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, to pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including: (i) the fees, disbursements and expenses of the Company's counsel and the Company's accountants in connection with the registration and delivery of the Shares under the Securities Act and all other fees or expenses in connection with the preparation and filing of the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, the Prospectus, any free writing prospectus prepared by or on behalf of, used by, or referred to by the Company and amendments and supplements to any of the foregoing, including all printing costs associated therewith, and the mailing and delivering of copies thereof to the Underwriters and dealers, in the quantities hereinabove specified, (ii) all costs and expenses related to the transfer and delivery of the Shares to the Underwriters, including any transfer or other taxes payable thereon, (iii) the reasonable cost of printing or producing any Blue Sky or Legal Investment memorandum in connection with the offer and sale of the Shares under state securities laws and all expenses in connection with the qualification of the Shares for offer and sale under state securities laws as provided in Section 6(g) hereof, including filing fees and the reasonable and documented fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky or Legal Investment memorandum, (iv) all filing fees and the reasonable fees and disbursements of counsel to the Underwriters incurred in connection with the review and qualification of the offering of the Shares by FINRA (provided that the amount payable by the Company with respect to the fees and disbursements of counsel for the Underwriters incurred pursuant to subsections (iii) and (iv) of this Section 6(i) shall not exceed $40,000 in the aggregate), (v) all fees and expenses in connection with the preparation and filing of the registration statement on Form 8-A relating to the Common Stock and all costs and expenses incident to listing the Shares on the NASDAQ Global Market, (vi) the cost of printing certificates representing the Shares, (vii) the costs and charges of any transfer agent, registrar or depositary, (viii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Shares, including, without limitation, expenses associated with the preparation or dissemination of any electronic road show, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the representatives and officers of the Company and any such consultants, and fifty percent (50%) of the cost of any aircraft chartered in connection with the road show (the remaining fifty percent (50%) of the cost of such aircraft to be paid by the Underwriters), (ix) the document production charges and expenses associated with printing this Agreement and (x) all other costs and expenses incident to the performance of the obligations of the Company hereunder for which provision is not otherwise made in this Section. It is understood, however, that except as provided in this Section, Section 8 entitled "Indemnity and Contribution" and the last paragraph of Section 10 below, the Underwriters will pay all of their costs and expenses, including fees and disbursements of their counsel, stock transfer taxes payable on resale of any of the Shares by them and any advertising expenses connected with any offers they may make and any travel and lodging costs incurred by them in connection with any road show.

(j) The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (a) completion of the distribution of the Shares within the meaning of the Securities Act and (b) completion of the Restricted Period (as defined in this Section 6).

(k) If at any time following the distribution of any Written Testing-the-Waters Communication there occurred or occurs an event or development as a result of which such Written Testing-the-Waters Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representatives and will promptly amend or supplement, at its own expense, such Written Testing-the-Waters Communication to eliminate or correct such untrue statement or omission.

The Company also covenants with each Underwriter that, without the prior written consent of Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC on behalf of the Underwriters, it will not, during the period ending 180 days after the date of the Prospectus (the "**Restricted Period**"), and will not publicly disclose an intention to, (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise or (3) confidentially submit any draft registration statement or file any registration statement with the Commission relating to the offering of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock.

The restrictions contained in the preceding paragraph shall not apply to (a) the Shares to be sold hereunder, (b) the issuance by the Company of shares of Common Stock upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof of which the Underwriters have been advised in writing, (c) the grant of options, restricted stock units or any other type of equity award described in the Prospectus, or the issuance of shares of Common Stock by the Company (whether upon the exercise of stock options or otherwise) to employees, officers, directors, advisors or consultants of the Company pursuant to employee benefit plans in effect on the date hereof and described in the Time of Sale Prospectus and the Prospectus; *provided* that each recipient of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock pursuant to this clause (c) shall execute a lock-up agreement substantially in the form of Exhibit A hereto with respect to the remaining portion of the Restricted Period, (d) the filing by the Company of a registration statement on Form S-8 relating to the issuance, vesting, exercise or settlement of equity awards granted or to be granted pursuant to any employee benefit plan in effect on the date hereof and described in the Time of Sale Prospectus, (e) the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of Common Stock, *provided* that (i) such plan does not provide for the transfer of Common Stock during the Restricted Period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by the Company regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of Common Stock may be made under such plan during the Restricted Period or (f) the sale or issuance of or entry into an agreement to sell or issue Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock in connection with one or more mergers; acquisitions of securities, businesses, property or other assets, products or technologies; joint ventures; commercial relationships or other strategic corporate transactions or alliances; *provided* that the aggregate amounts of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (on an as-converted, as-exercised or as-exchanged basis) that the Company may sell or issue or agree to sell or issue pursuant to this paragraph shall not exceed 5% of the total number of shares of Common Stock of the Company issued and outstanding immediately following the completion of the transactions contemplated by this Agreement determined on a fully-diluted basis, and *provided further* that each recipient of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock pursuant to this clause (f) shall execute a lock-up agreement substantially in the form of Exhibit A hereto with respect to the remaining portion of the Restricted Period.

If Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, in their sole discretion, agree to release or waive the restrictions set forth in a lock-up letter described in Section 5(f) hereof for an officer or director of the Company and provides the Company with notice of the impending release or waiver substantially in the form of Exhibit B hereto at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit C hereto through a major news service at least two business days before the effective date of the release or waiver.

7. *Covenants of the Underwriters*. Each Underwriter severally covenants with the Company not to take any action that would result in the Company being required to file with the Commission under Rule 433(d) a free writing prospectus prepared by or on behalf of such Underwriter that otherwise would not be required to be filed by the Company thereunder, but for the action of the Underwriter.

8. *Indemnity and Contribution.* (a) The Company agrees to indemnify and hold harmless each Underwriter, each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act and each affiliate of any Underwriter within the meaning of Rule 405 under the Securities Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus, the Time of Sale Prospectus or any amendment or supplement thereto, any issuer free writing prospectus as defined in Rule 433(h) under the Securities Act, any Company information that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act, any road show as defined in Rule 433(h) under the Securities Act (a "**road show**"), or the Prospectus or any amendment or supplement thereto, or any Written Testing-the-Waters Communication, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein. The Company agrees and confirms that references to "affiliates" of Morgan Stanley that appear in this Agreement shall be understood to include Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

(b) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers who sign the Registration Statement and each person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Underwriter, but only with reference to information relating to such Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any issuer free writing prospectus, road show, the Prospectus or any amendment or supplement thereto.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 8(a) or 8(b), such person (the "**indemnified party**") shall promptly notify the person against whom such indemnity may be sought (the "**indemnifying party**") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the reasonably incurred and documented fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed in writing to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties and that all such fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, in the case of parties indemnified pursuant to Section 8(a), and by the Company, in the case of parties indemnified pursuant to Section 8(b). The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 60 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement (x) includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and (y) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) To the extent the indemnification provided for in Section 8(a) or 8(b) is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party or parties on the one hand and the indemnified party or parties on the other hand from the offering of the Shares or (ii) if the allocation provided by clause 8(d)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 8(d)(i) above but also the relative fault of the Company on the one hand and of the Underwriters on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the indemnifying party or parties on the one hand and the indemnified party or parties on the other hand in connection with the offering of the Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Shares (after deducting underwriting discounts and commissions but before deducting expenses) received by the Company and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate Public Offering Price of the Shares. The relative fault of the indemnifying party or parties on the one hand and the indemnified party or parties on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Underwriters' respective obligations to contribute pursuant to this Section 8 are several in proportion to the respective number of Shares they have purchased hereunder, and not joint.

(e) The Company and the Underwriters agree that it would not be just or equitable if contribution pursuant to this Section 8 were determined by *pro rata* allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 8(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in Section 8(d) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 8 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(f) The indemnity and contribution provisions contained in this Section 8 and the representations, warranties and other statements of the Company contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter, any person controlling any Underwriter or any affiliate of any Underwriter or by or on behalf of the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Shares.

9. *Termination*. The Underwriters may terminate this Agreement by notice given by the Representatives to the Company, if after the execution and delivery of this Agreement and prior to the Closing Date (i) trading generally shall have been suspended or materially limited on, or by, as the case may be, any of the New York Stock Exchange or the NASDAQ Global Market, (ii) trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a material disruption in securities settlement, payment or clearance services in the United States shall have occurred, (iv) any moratorium on commercial banking activities shall have been declared by Federal or New York State authorities or (v) there shall have occurred any outbreak or escalation of hostilities, or any change in financial markets or any calamity or crisis that, in the judgment of the Representatives, is material and adverse and which, singly or together with any other event specified in this clause (v), makes it, in the judgment of the Representatives, impracticable or inadvisable to proceed with the offer, sale or delivery of the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus or the Prospectus.

10. *Effectiveness; Defaulting Underwriters*. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

If, on the Closing Date or an Option Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase Shares that it has or they have agreed to purchase hereunder on such date, and the aggregate number of Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate number of the Shares to be purchased on such date, the other Underwriters shall be obligated severally in the proportions that the number of Firm Shares set forth opposite their respective names in Schedule I bears to the aggregate number of Firm Shares set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as the Representatives may specify, to purchase the Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; *provided* that in no event shall the number of Shares that any Underwriter has agreed to purchase pursuant to this Agreement be increased pursuant to this Section 10 by an amount in excess of one-ninth of such number of Shares without the written consent of such Underwriter. If, on the Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Firm Shares and the aggregate number of Firm Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Firm Shares to be purchased on such date, and arrangements satisfactory to the Representatives and the Company for the purchase of such Firm Shares are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter or the Company. In any such case either the Representatives or the Company shall have the right to postpone the Closing Date, but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement, in the Time of Sale Prospectus, in the Prospectus or in any other documents or arrangements may be effected. If, on an Option Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Additional Shares and the aggregate number of Additional Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Additional Shares to be purchased on such Option Closing Date, the non-defaulting Underwriters shall have the option to (i) terminate their obligation hereunder to purchase the Additional Shares to be sold on such Option Closing Date or (ii) purchase not less than the number of Additional Shares that such non-defaulting Underwriters would have been obligated to purchase in the absence of such default. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

If this Agreement shall be terminated by the Underwriters, or any of them, because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company shall be unable to perform its obligations under this Agreement, the Company will reimburse the Underwriters or such Underwriters as have so terminated this Agreement with respect to themselves, severally, for all out-of-pocket expenses (including the fees and disbursements of their counsel) reasonably incurred by such Underwriters in connection with this Agreement or the offering contemplated hereunder.

11. *Entire Agreement*. (a) This Agreement, together with any contemporaneous written agreements and any prior written agreements (to the extent not superseded by this Agreement) that relate to the offering of the Shares, represents the entire agreement between the Company and the Underwriters with respect to the preparation of any preliminary prospectus, the Time of Sale Prospectus, the Prospectus, the conduct of the offering, and the purchase and sale of the Shares.

(b) The Company acknowledges that in connection with the offering of the Shares: (i) the Underwriters have acted at arm's length, are not agents of, and owe no fiduciary duties to, the Company or any other person, (ii) the Underwriters owe the Company only those duties and obligations set forth in this Agreement and prior written agreements (to the extent not superseded by this Agreement), if any, and (iii) the Underwriters may have interests that differ from those of the Company. The Company waives to the full extent permitted by applicable law any claims it may have against the Underwriters arising from an alleged breach of fiduciary duty in connection with the offering of the Shares.

12. *Counterparts*. This Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

13. *Applicable Law*. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

14. *Headings*. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

15. *Notices*. All communications hereunder shall be in writing and effective only upon receipt and if to the Underwriters shall be delivered, mailed or sent to the Representatives in care of Morgan Stanley & Co. LLC, 1585 Broadway, New York, New York 10036, Attention: Equity Syndicate Desk, with a copy to the Legal Department; and Goldman Sachs & Co. LLC, 200 West Street, New York, New York 10282, Attention: Registration Department; and if to the Company shall be delivered, mailed or sent to Zscaler, Inc., 110 Rose Orchard Way, San Jose, California 95134; Attention: Chief Legal Officer.

[Signature page follows]

Very truly yours,

ZSCALER, INC.

By: _____
Name:
Title:

Accepted as of the date hereof

Morgan Stanley & Co. LLC
Goldman Sachs & Co. LLC
Acting severally on behalf of themselves and
the several Underwriters named in
Schedule I hereto.

Morgan Stanley & Co. LLC

By: _____
Name:
Title:

Goldman Sachs & Co. LLC

By: _____
Name:
Title:

SCHEDULE I

Underwriter	Number of Firm Shares To Be Purchased
Morgan Stanley & Co. LLC	
Goldman Sachs & Co. LLC	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Barclays Capital Inc.	
Credit Suisse Securities (USA) LLC	
Deutsche Bank Securities Inc.	
UBS Securities LLC	
Robert W. Baird & Co. Incorporated	
BTIG, LLC	
Needham & Company, LLC	
Stephens Inc.	
Total:	

SCHEDULE II

Time of Sale Prospectus

1. [None.]

2. [identify all free writing prospectuses filed by the Company under Rule 433(d) of the Securities Act]

3. [free writing prospectus containing a description of terms that does not reflect final terms, if the Time of Sale Prospectus does not include a final term sheet]

4. [orally communicated pricing information such as price per share and size of offering if a Rule 134 pricing term sheet is used at the time of sale instead of a pricing term sheet filed by the Company under Rule 433(d) as a free writing prospectus]

SCHEDULE III

Written Testing-the-Waters Communications

[None.]

EXHIBIT A

FORM OF LOCK-UP LETTER

_____, 2018

Morgan Stanley & Co. LLC
Goldman Sachs & Co. LLC

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, NY 10036

c/o Goldman Sachs & Co. LLC
200 West Street
New York, NY 10282

Ladies and Gentlemen:

The undersigned understands that Morgan Stanley & Co. LLC ("**Morgan Stanley**") and Goldman Sachs & Co. LLC ("**Goldman**") propose to enter into an Underwriting Agreement (the "**Underwriting Agreement**") with Zscaler, Inc., a Delaware corporation (the "**Company**"), providing for the public offering (the "**Public Offering**") by the several Underwriters, including Morgan Stanley and Goldman (the "**Underwriters**"), of shares (the "**Shares**") of the common stock, par value $0.001 per share, of the Company (the "**Common Stock**").

To induce the Underwriters that may participate in the Public Offering to continue their efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of Morgan Stanley and Goldman on behalf of the Underwriters, it will not, and will not publicly disclose an intention to, during the period commencing on the date hereof and ending 180 days after the date of the final prospectus (the "**Restricted Period**") relating to the Public Offering (the "**Prospectus**"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock beneficially owned (as such term is used in Rule 13d-3 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), by the undersigned or any other securities so owned convertible into or exercisable or exchangeable for Common Stock or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing sentence shall not apply to:

(a) transactions relating to shares of Common Stock or other securities acquired in the Public Offering or in open market transactions after the completion of the Public Offering; *provided* that no filing or other public announcement under Section 16(a) of the Exchange Act or otherwise shall be required or shall be voluntarily made in connection with subsequent sales of Common Stock or other securities acquired either in the Public Offering or in such open market transactions;

(b) transfers of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock (i) as a bona fide gift, or for bona fide estate planning purposes, upon death or by will, testamentary document or intestate succession, (ii) to an immediate family member of the undersigned or to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned (for purposes of this letter, "immediate family" shall mean any relationship by blood, current or former marriage or adoption, not more remote than first cousin), (iii) not involving a change in beneficial ownership, or (iv) if the undersigned is a trust, to any beneficiary of the undersigned or the estate of any such beneficiary;

(c) distributions of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock to stockholders, direct or indirect affiliates (within the meaning set forth in Rule 405 under the Securities Act of 1933, as amended), current or former partners (general or limited), members or managers of the undersigned, as applicable, or to the estates of any such stockholders, affiliates, partners, members or managers;

(d) (i) the receipt by the undersigned from the Company of shares of Common Stock upon the exercise of options or warrants, or the vesting and settlement of restricted stock units or other rights, insofar as such options, warrants, restricted stock units or other rights are outstanding as of the date of the Prospectus pursuant to stock plans or other equity award plans disclosed in the Prospectus, *provided* that the shares of Common Stock received upon exercise of such option or warrant, or the vesting and settlement of such restricted stock unit or other right, shall remain subject to this agreement, or (ii) the transfer of shares of Common Stock or any securities convertible into Common Stock to the Company upon a vesting event of the Company's securities or upon the exercise of options, warrants or other equity awards to purchase the Company's securities on a "cashless" or "net exercise" basis to the extent permitted by the instruments representing such options, warrants or other equity awards (including all methods of exercise that would involve a sale of any shares of Common Stock relating to options, warrants or other equity awards, whether to cover the applicable exercise price, withholding tax obligations or otherwise), and the Company's cancellation of all or a portion thereof to pay the exercise price and/or withholding tax obligations;

(e) the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of Common Stock, *provided* that (i) such plan does not provide for the transfer of Common Stock during the Restricted Period (except as otherwise permitted under this letter), and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by or on behalf of the undersigned or the Company regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of Common Stock may be made under such plan during the Restricted Period;

(f) the transfer of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock that occurs by operation of law pursuant to a qualified domestic order in connection with a divorce settlement or other court order;

(g) any transfer of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock to the Company pursuant to (i) arrangements under which the Company has the option to repurchase such shares in the event the undersigned ceases to provide services to the Company, which such shares were issued pursuant to equity awards granted under a stock incentive plan or other equity award plan, which plan is described in the Prospectus or (ii) a right of first refusal with respect to transfers of such shares;

(h) the conversion of the outstanding preferred stock of the Company into shares of Common Stock of the Company prior to or in connection with the consummation of the Public Offering, which conversion is described in the Prospectus, *provided* that any such shares of Common Stock received upon such conversion shall be subject to the terms of this letter;

(i) the transfer of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock after the completion of the Public Offering pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction that is approved by the Board of Directors of the Company, made to all holders of Common Stock involving a Change of Control (as defined below), *provided* that in the event that the tender offer, merger, consolidation or other such transaction is not completed, the Common Stock owned by the undersigned shall remain subject to the restrictions contained in this letter; and

(j) with the prior written consent of Morgan Stanley and Goldman on behalf of the Underwriters;

provided that in the case of any sale, transfer or distribution pursuant to clause (b), (c) or (d), no filing under Section 16(a) of the Exchange Act reporting a reduction in beneficial ownership of shares of Common Stock shall be required or shall be voluntarily made during the Restricted Period;

provided further that in the case of any transfer or distribution pursuant to clause (b) or (c), the transfer or distribution shall not be a disposition for value;

provided further that in the case of any transfer or distribution pursuant to clause (b) (c) or (f), each transferee, donee or distributee shall sign and deliver a lock-up letter substantially in the form of this letter; and

provided further that in the case of any transfer pursuant to clause (d)(ii) or (f), any filings under Section 16(a) of the Exchange Act shall state the nature and conditions of such transfer.

For purposes of clause (i), "**Change of Control**" shall mean the transfer (whether by tender offer, merger, consolidation or other similar transaction), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an Underwriter pursuant to the Public Offering), of the Company's voting securities if, after such transfer, such person or group of affiliated persons would hold more than 60% of the voting control of the outstanding voting securities of the Company (or the surviving entity).

In addition, the undersigned agrees that, without the prior written consent of Morgan Stanley and Goldman on behalf of the Underwriters, it will not, and will not publicly disclose an intention to, during the Restricted Period, make any demand for or exercise any right with respect to, the registration of any shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the undersigned's shares of Common Stock except in compliance with the foregoing restrictions.

If the undersigned is an officer or director of the Company, the undersigned further agrees that the foregoing provisions shall be equally applicable to any issuer-directed Shares the undersigned may purchase in the Public Offering.

If the undersigned is an officer or director of the Company, (i) Morgan Stanley and Goldman agree that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of shares of Common Stock, Morgan Stanley and Goldman will notify the Company of the impending release or waiver, and (ii) the Company will agree or has agreed in the Underwriting Agreement, if required by FINRA rules, to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by Morgan Stanley and Goldman hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this letter to the extent and for the duration that such terms remain in effect at the time of the transfer.

The undersigned understands that the Company and the Underwriters are relying upon this letter in proceeding toward consummation of the Public Offering. The undersigned further understands that this letter is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriters.

Notwithstanding anything to the contrary contained herein, this letter will automatically terminate and the undersigned will be released from all obligations hereunder upon the earliest to occur, if any, of (i) the Company advises in writing that it has determined not to proceed with the Public Offering prior to the execution of the Underwriting Agreement, (ii) the Company files an application to withdraw the Registration Statement on Form S-1 related to the Public Offering prior to the execution of the Underwriting Agreement, (iii) the date the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the Shares to be sold thereunder, or (iv) June 1, 2018, if the Underwriting Agreement has not been executed by such date; *provided*, *however*, that the Company may, by written notice to the undersigned prior to such date, extend such date for a period of up to three additional months.

[Signature page follows]

Very truly yours,

Name of Securityholder *(Print exact name*)

By: Signature

If not signing in an individual capacity:

Name of Authorized Signatory *(Print*)

Title of Authorized Signatory *(Print*)

(indicate capacity of person signing if signing as custodian, trustee, or on behalf of an entity)

EXHIBIT B

FORM OF WAIVER OF LOCK-UP

_____, 20__

[Name and Address of
Officer or Director
Requesting Waiver]

Dear Mr./Ms. [Name]:

This letter is being delivered to you in connection with the offering by Zscaler, Inc. (the "**Company**") of [•] shares of common stock, $0.001 par value per share (the "**Common Stock**"), of the Company and the lock-up letter dated ____, 2017 (the "**Lock-up Letter**"), executed by you in connection with such offering, and your request for a [waiver] [release] dated ____, 20__, with respect to ____ shares of Common Stock (the "**Shares**").

Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC hereby agree to [waive] [release] the transfer restrictions set forth in the Lock-up Letter, but only with respect to the Shares, effective _____, 20__; provided, however, that such [waiver] [release] is conditioned on the Company announcing the impending [waiver] [release] by press release through a major news service at least two business days before effectiveness of such [waiver] [release]. This letter will serve as notice to the Company of the impending [waiver] [release].

Except as expressly [waived] [released] hereby, the Lock-up Letter shall remain in full force and effect.

Very truly yours,

Morgan Stanley & Co. LLC
Goldman Sachs & Co. LLC
Acting severally on behalf of themselves
and the several Underwriters named in
Schedule I hereto

Morgan Stanley & Co. LLC

By: _____
Name:
Title:

Goldman Sachs & Co. LLC

By: _____
Name:
Title:

cc: Zscaler, Inc.

EXHIBIT C

FORM OF PRESS RELEASE

Zscaler, Inc.
[Date]

Zscaler, Inc. (the "**Company**") announced today that Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, the lead book-running managers in the Company's recent public sale of [•] shares of common stock are [waiving][releasing] a lock-up restriction with respect to ____ shares of the Company's common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver][release] will take effect on ____, 20__ , and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

Exhibit 3.1

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION OF

ZSCALER, INC.

Zscaler, Inc., a corporation organized and existing under the laws of the State of Delaware (the "**Corporation**"), certifies that:

A. The name of the Corporation is Zscaler, Inc. The Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on September 28, 2007 under the name SafeChannel, Inc.

B. This Amended and Restated Certificate of Incorporation was duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware, and has been duly approved by the written consent of the stockholders of the Corporation in accordance with Section 228 of the General Corporation Law of the State of Delaware.

C. The text of the Certificate of Incorporation is amended and restated to read as set forth in EXHIBIT A attached hereto.

IN WITNESS WHEREOF, Zscaler, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by Jay S. Chaudhry, a duly authorized officer of the Corporation, on July 24, 2015.

/s/ Jay S. Chaudhry
Jay S. Chaudhry, President

EXHIBIT A

ARTICLE I

The name of the Corporation is Zscaler, Inc.

ARTICLE II

The purpose of this corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE III

The address of the Corporation's registered office in the State of Delaware is 3500 South DuPont Highway, Dover, DE USA 19901, County of Kent. The name of the registered agent at such address is Incorporation Services, Ltd.

ARTICLE IV

The total number of shares of stock that the corporation shall have authority to issue is two hundred eighty four million three hundred ninety thousand seven hundred sixty six (284,390,766) shares, consisting of one hundred seventy seven million three hundred twelve thousand seven hundred fifty nine (177,312,759) shares of Common Stock, $0.001 par value per share, and one hundred seven million seventy eight thousand seven (107,078,007) shares of Preferred Stock, $0.001 par value per share. The first Series of Preferred Stock shall be designated "**Series A Preferred Stock**" and shall consist of forty two million (42,000,000) shares. The second Series of Preferred Stock shall be designated "**Series B Preferred Stock**" and shall consist of thirty seven million two hundred eighty three thousand nine hundred fifty one (37,283,951) shares. The third Series of Preferred Stock shall be designated "**Series C Preferred Stock**" and shall consist of eleven million sixty two thousand six hundred ninety five (11,062,695) shares. The fourth Series of Preferred Stock shall be designated "**Series D Preferred Stock**" and shall consist of sixteen million seven hundred thirty one thousand three hundred sixty one (16,731,361) shares.

ARTICLE V

The terms and provisions of the Common Stock and Preferred Stock are as follows:

1. Definitions. For purposes of this ARTICLE V, the following definitions shall apply:

(a) **"Affiliate"** shall mean, with respect to any stockholder, any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such stockholder, including, without limitation, in the case of any venture capital or other private investment fund, any general partner, officer, director or manager of such stockholder and any venture capital fund or other private investment fund now or hereafter existing that is controlled by one or more general partners or managing members of, or is under common investment management with, such stockholder.

(b) **"Conversion Price"** shall mean (i) $0.11905 per share for the Series A Preferred Stock (subject to adjustment from time to time for Recapitalizations and as otherwise set forth elsewhere herein), (ii) $0.81 per share for the Series B Preferred Stock (subject to adjustment from time to time for Recapitalizations and as otherwise set forth elsewhere herein), (iii) $3.4331 per share for the Series C Preferred Stock (subject to adjustment from time to time for Recapitalizations and as otherwise set forth elsewhere herein), and (iv) $5.9768 per share for the Series D Preferred Stock (subject to adjustment from time to time for Recapitalizations and as otherwise set forth elsewhere herein).

(c) **"Convertible Securities"** shall mean any evidences of indebtedness, shares or other securities convertible into or exchangeable for Common Stock.

(d) **"Corporation"** shall mean Zscaler, Inc.

(e) **"Distribution"** shall mean the transfer of cash or other property without consideration whether by way of dividend or otherwise, other than dividends on Common Stock payable in Common Stock, or the purchase or redemption of shares of the Corporation by the Corporation or its subsidiaries for cash or property other than: (i) repurchases of Common Stock issued to or held by employees, officers, directors or consultants of the Corporation or its subsidiaries upon termination of their employment or services pursuant to agreements providing for the right of said repurchase, (ii) repurchases of Common Stock issued to or held by employees, officers, directors or consultants of the Corporation or its subsidiaries pursuant to rights of first refusal contained in agreements providing for such right, (iii) repurchase of capital stock of the Corporation in connection with the settlement of disputes with any stockholder, and (iv) any other repurchase or redemption of capital stock of the Corporation approved by the holders of the Common and Preferred Stock of the Corporation voting as separate classes.

(f) **"Dividend Rate"** shall mean an annual rate of (i) $0.009525 per share for the Series A Preferred Stock (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein), (ii) $0.0648 per share for the Series B Preferred Stock (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein), (iii) $0.27487 per share for the Series C Preferred Stock (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein), and (iv) $0.47814 per share for the Series D Preferred Stock (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein).

(g) **"Liquidation Preference"** shall mean (i) $0.11905 per share for the Series A Preferred Stock (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein), (ii) $0.81 per share for the Series B Preferred Stock (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein), (iii) $3.4331 per share for the Series C Preferred Stock (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein), and (iv) $5.9768 plus eight percent (8%) compounded annually (based on a 365-day year) per share of Series D Preferred Stock from the date such share of Series D Preferred Stock was originally issued by the Corporation, for the Series D Preferred Stock (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein).

(h) **"Options"** shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(i) **"Original Issue Price"** shall mean (i) $0.11905 per share for the Series A Preferred Stock (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein), (ii) $0.81 per share for the Series B Preferred Stock (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein), (iii) $3.4331 per share for the Series C Preferred Stock (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein), and (iv) $5.9768 per share for the Series D Preferred Stock (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein).

(j) **"Preferred Stock"** shall mean the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock and the Series D Preferred Stock.

(k) **"Recapitalization"** shall mean any stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification or other similar event.

2. Dividends.

(a) Preferred Stock. In any calendar year, the holders of outstanding shares of Preferred Stock shall be entitled to receive dividends, when, as and if declared by the Board of Directors, out of any assets at the time legally available therefor, at the Dividend Rate specified for such shares of Preferred Stock payable in preference and priority to any declaration or payment of any Distribution on Common Stock of the Corporation in such calendar year. No Distributions shall be made with respect to the Common Stock unless dividends on the Preferred Stock have been declared in accordance with the preferences stated herein and all declared dividends on the Preferred Stock have been paid or set aside for payment to the Preferred Stock holders. No Distribution shall be made with respect to the Series A Preferred Stock or the Series B Preferred Stock unless dividends on the Series C Preferred Stock and the Series D Preferred Stock have been declared in accordance with the preferences stated herein and all declared dividends on the Series C Preferred Stock and the Series D Preferred Stock have been paid or set aside for payment to the holders of the Series C Preferred Stock and the Series D Preferred Stock. The right to receive dividends on shares of Preferred Stock shall not be cumulative, and no right to dividends shall accrue to holders of Preferred Stock by reason of the fact that dividends on said shares are not declared or paid. Payment of any dividends to the holders of Preferred Stock shall be on a *pro rata*, *pari passu* basis in proportion to the Dividend Rates for each series of Preferred Stock.

(b) Additional Dividends. The Corporation shall not declare, set aside or pay any dividends on any share of Common Stock (other than dividends on Common Stock payable solely in Common Stock) unless a dividend (including the amount of any dividends paid pursuant to the above provisions of this Section 2) is declared, set aside or paid with respect to all outstanding shares of Preferred Stock in an amount for each such share of Preferred Stock at least equal to the aggregate amount of the dividends for all shares of Common Stock into which each such share of Preferred Stock could then be converted, calculated on the record date for determination of holders entitled to receive such dividend.

(c) Non-Cash Distributions. Whenever a Distribution provided for in this Section 2 shall be payable in property other than cash, the value of such Distribution shall be deemed to be the fair market value of such property as determined in good faith by the Board of Directors.

3. Liquidation Rights.

(a) Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary (a "**Liquidation Event**"), the holders of the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock shall be entitled to receive, prior and in preference to any Distribution of any of the assets of the Corporation to the holders of the Common Stock by reason of their ownership of such stock, an amount per share for each share of Preferred Stock held by them equal to the greater of (A) the sum of (i) the Liquidation Preference specified for such share of Preferred Stock and (ii) all declared but unpaid dividends (if any) on such share of Preferred Stock, or (B) the amount that would be received on such share of Preferred Stock if such share of Preferred Stock were converted to Common Stock immediately prior to such Liquidation Event. If upon the Liquidation Event, the assets of the Corporation legally available for distribution to the holders of the Preferred Stock are insufficient to permit the payment to such holders of the full amounts specified in this

Section 3(a), then the entire assets of the Corporation legally available for distribution shall be distributed with equal priority and *pro rata* among the holders of the Preferred Stock in proportion to the full amounts they would otherwise be entitled to receive pursuant to this Section 3(a).

(b) Remaining Assets. After the payment to the holders of Preferred Stock of the full preferential amounts specified above, the entire remaining assets of the Corporation legally available for distribution by the Corporation shall be distributed with equal priority and *pro rata* among the holders of the Common Stock in proportion to the number of shares of Common Stock held by them.

(c) Reorganization. For purposes of this Section 3, a Liquidation Event shall also include a sale of all or substantially all of the assets of the Corporation (including, without limitation, through an exclusive license) or an acquisition of the Corporation by another person, entity or group by means of any transaction or series of transactions (including without limitation, a merger, consolidation, reorganization, acquisition or sale of stock) where the stockholders of the Corporation immediately preceding such transaction(s) own less than fifty percent (50%) of the voting securities of the Corporation following such transaction(s).

(d) Valuation of Non-Cash Consideration. If any assets of the Corporation distributed to stockholders in connection with any Liquidation Event are other than cash, then the value of such assets shall be their fair market value as determined in good faith by the Board of Directors, *except that* any publicly-traded securities to be distributed to stockholders in a Liquidation Event shall be valued as follows:

(i) If the securities are then traded on a national securities exchange, then the value of the securities shall be deemed to be the average of the closing prices of the securities on such exchange over the ten (10) trading day period ending five (5) trading days prior to the Distribution;

(ii) if the securities are actively traded over-the-counter, then the value of the securities shall be deemed to be the average of the closing bid prices of the securities over the ten (10) trading day period ending five (5) trading days prior to the Distribution.

In the event of a merger or other acquisition of the Corporation by another entity, the Distribution date shall be deemed to be the date such transaction closes.

For the purposes of this Section 3(d), "**trading day**" shall mean any day which the exchange or system on which the securities to be distributed are traded is open and "**closing prices**" or "**closing bid prices**" shall be deemed to be: (i) for securities traded primarily on the New York Stock Exchange ("**NYSE**"), the NYSE Amex Equities or the Nasdaq Stock Market ("**NASDAQ**"), the last reported trade price or sale price, as the case may be, at 4:00 p.m., New York time, on that day and (ii) for securities listed or traded on other exchanges, markets and systems, the market price as of the end of the regular hours trading period that is generally accepted as such for such exchange, market or system. If, after the date hereof, the benchmark times generally accepted in the securities industry for determining the market price of a stock as of a given trading day shall change from those set forth above, the fair market value shall be determined as of such other generally accepted benchmark times.

4. Conversion. The holders of the Preferred Stock shall have conversion rights as follows:

(a) Right to Convert. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Corporation or any transfer agent for the Preferred Stock, into that number of fully-paid, nonassessable shares of Common Stock determined by dividing the Original Issue Price for the relevant series by the Conversion Price for such series.

The number of shares of Common Stock into which each share of Preferred Stock of a series may be converted is hereinafter referred to as the **"Conversion Rate"** for each such series. Upon any decrease or increase in the Conversion Price for any series of Preferred Stock, as described in this Section 4, the Conversion Rate for such series shall be appropriately increased or decreased.

(b) Automatic Conversion. Each share of Preferred Stock shall automatically be converted into fully-paid, non-assessable shares of Common Stock at the then effective Conversion Rate for such share:

(i) immediately prior and subject to consummation of the closing of a firm commitment underwritten initial public offering (the **"IPO"**) pursuant to an effective registration statement filed under the Securities Act of 1933, as amended (the **"Securities Act"**) covering the offer and sale of the Corporation's Common Stock to be listed for trading on the NYSE or NASDAQ, provided that the IPO involves a pre-IPO valuation of the Corporation equal to or greater than $750,000,000 and the net proceeds to the Corporation are not less than $75,000,000 (such offering, a **"Qualified Public Offering"**); or

(ii) with respect to each Series of Preferred Stock, upon the receipt by the Corporation of a written request for such conversion from the holders of a majority of such series of Preferred Stock then outstanding (each series voting as a separate class), or, if later, the effective date for conversion specified in such request (each of the events referred to in (i) and (ii) are referred to herein as an **"Automatic Conversion Event"**).

(c) Mechanics of Conversion. No fractional shares of Common Stock shall be issued upon conversion of Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the then fair market value of a share of Common Stock as determined by the Board of Directors. For such purpose, all shares of Preferred Stock held by each holder of Preferred Stock shall be aggregated, and any resulting fractional share of Common Stock shall be paid in cash. Before any holder of Preferred Stock shall be entitled to convert the same into full shares of Common Stock, and to receive certificates therefor, the holder shall either (A) surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Preferred Stock or (B) notify the Corporation or its transfer agent that such certificates have been lost, stolen or destroyed and execute an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates, and shall give written notice to the Corporation at such office that the holder elects to convert the same; *provided, however,* that on the date of an Automatic Conversion Event, the outstanding shares of Preferred Stock shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent; *provided further*, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such Automatic Conversion Event unless either the certificates evidencing such shares of Preferred Stock are delivered to the Corporation or its transfer agent as provided above, or the holder notifies the Corporation or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. On the date of the occurrence of an Automatic Conversion Event, each holder of record of shares of Preferred Stock shall be deemed to be the holder of record of the Common Stock issuable upon such conversion, notwithstanding that the certificates representing such shares of Preferred Stock shall not have been surrendered at the office of the Corporation, that notice from the Corporation shall not have been received by any holder of record of shares of Preferred Stock, or that the certificates evidencing such shares of Common Stock shall not then be actually delivered to such holder.

(d) Adjustments to Conversion Price for Diluting Issues.

(i) Special Definition. For purposes of this paragraph 4(d), **"Additional Shares of Common"** shall mean all shares of Common Stock issued (or, pursuant to paragraph 4(d)(iii), deemed to be issued) by the Corporation after the filing of this Amended and Restated Certificate of Incorporation, other than issuances or deemed issuances of:

(1) shares of Common Stock and options, warrants or other rights to purchase Common Stock issued or issuable to employees, officers or directors of, or consultants or advisors to the Corporation or any subsidiary pursuant to stock grants, restricted stock purchase agreements, option plans, purchase plans, incentive programs or similar arrangements, including shares of Common Stock issuable upon exercise of options outstanding as of the date of filing of this Amended and Restated Certificate of Incorporation, not to exceed 16,029,454 shares in the aggregate (net of repurchases);

(2) shares of Common Stock issued upon the exercise or conversion of Options or Convertible Securities outstanding as of the date of the filing of this Amended and Restated Certificate of Incorporation;

(3) shares of Common Stock issued or issuable upon conversion of the Preferred Stock or as a dividend or other distribution on the Preferred Stock;

(4) shares of Common Stock issued ratably to stockholders of the Corporation as of the date of filing of this Amended and Restated Certificate of Incorporation;

(5) shares of Common Stock issued or issuable pursuant to the acquisition of another corporation by the Corporation by merger or purchase of substantially all of the assets, provided, that such issuances are approved by the Board of Directors;

(6) shares of Common Stock issued or issuable to banks, equipment lessors or other similar financial institutions pursuant to a debt financing or commercial leasing transaction approved by the Board of Directors; and

(7) shares of Common Stock issued or issuable in connection with any settlement of any action, suit, proceeding or litigation up to a maximum value of $100.000, unanimously approved by the Board of Directors.

The issuances set forth in paragraphs 4(d)(i)(1)-(7) are defined as the "**Excluded Issuances**."

(ii) No Adjustment of Conversion Price. No adjustment in the Conversion Price of a particular series of Preferred Stock shall be made in respect of the issuance of Additional Shares of Common unless the consideration per share (as determined pursuant to paragraph 4(d)(v)) for an Additional Share of Common issued or deemed to be issued by the Corporation is less than the Conversion Price in effect on the date of, and immediately prior to such issue, for such series of Preferred Stock.

(iii) Deemed Issue of Additional Shares of Common. If the Corporation at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number) of Common Stock issuable upon the exercise of such Options or, in the case of Convertible Securities, the

conversion or exchange of such Convertible Securities or, in the case of Options for Convertible Securities, the exercise of such Options and the conversion or exchange of the underlying securities, shall be deemed to have been issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, *provided* that in any such case in which shares are deemed to be issued:

(1) no further adjustment in the Conversion Price of any series of Preferred Stock shall be made upon the subsequent issue of Convertible Securities or shares of Common Stock in connection with the exercise of such Options or conversion or exchange of such Convertible Securities;

(2) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any change in the consideration payable to the Corporation or in the number of shares of Common Stock issuable upon the exercise, conversion or exchange thereof (other than a change pursuant to the anti-dilution provisions of such Options or Convertible Securities such as this Section 4(d) or pursuant to Recapitalization provisions of such Options or Convertible Securities such as Sections 4(e), 4(f) and 4(g) hereof), the Conversion Price of each series of Preferred Stock and any subsequent adjustments based thereon shall be recomputed to reflect such change as if such change had been in effect as of the original issue thereof (or upon the occurrence of the record date with respect thereto);

(3) no readjustment pursuant to clause (2) above shall have the effect of increasing the Conversion Price of a series of Preferred Stock to an amount above the Conversion Price that would have resulted from any other issuances of Additional Shares of Common and any other adjustments provided for herein between the original adjustment date and such readjustment date;

(4) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Conversion Price of each series of Preferred Stock computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto) and any subsequent adjustments based thereon shall, upon such expiration, be recomputed as if:

(a) in the case of Convertible Securities or Options for Common Stock, the only Additional Shares of Common issued were the shares of Common Stock, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Corporation for the issue of such exercised Options plus the consideration actually received by the Corporation upon such exercise or for the issue of all such Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Corporation upon such conversion or exchange, and

(b) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Corporation for the Additional Shares of Common deemed to have been then issued was the consideration actually received by the Corporation for the issue of such exercised Options, plus the consideration deemed to have been received by the Corporation (determined pursuant to paragraph 4(d)(v)) upon the issue of the Convertible Securities with respect to which such Options were actually exercised; and

(5) if such record date shall have been fixed and such Options or Convertible Securities are not issued on the date fixed therefor, the adjustment previously made in the Conversion Price which became effective on such record date shall be canceled as of the close of business on such record date, and thereafter the Conversion Price shall be adjusted pursuant to this paragraph 4(d)(iii) as of the actual date of their issuance.

(iv) Adjustment of Conversion Price Upon Issuance of Additional Shares of Common.

(1) Subject to paragraph 4(d)(iv)(2), if the Corporation shall issue Additional Shares of Common (including Additional Shares of Common deemed to be issued pursuant to paragraph 4(d)(iii)) without consideration or for a consideration per share less than the applicable Conversion Price of a series of Preferred Stock in effect on the date of and immediately prior to such issue, then the Conversion Price of the affected series of Preferred Stock shall be reduced, concurrently with such issue, to a price (calculated to the nearest tenth of a cent) determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of shares which the aggregate consideration received by the Corporation for the total number of Additional Shares of Common so issued would purchase at such Conversion Price, and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of such Additional Shares of Common so issued. Notwithstanding the foregoing, the Conversion Price shall not be reduced at such time if the amount of such reduction would be less than $0.001, but any such amount shall be carried forward, and a reduction will be made with respect to such amount at the time of, and together with, any subsequent reduction which, together with such amount and any other amounts so carried forward, equal $0.001 or more in the aggregate. For the purposes of this paragraph 4(d)(iv)(1), all shares of Common Stock issuable upon conversion of all outstanding shares of Preferred Stock and the exercise and/or conversion of any other outstanding Convertible Securities and all outstanding Options shall be deemed to be outstanding.

(2) If, on or before the second anniversary of the initial issuance of Series D Preferred Stock, this Corporation shall issue Additional Shares of Common (including Additional Shares of Common deemed to be issued pursuant to paragraph 4(d)(iii)) for a consideration per share less than the Conversion Price of the Series D Preferred Stock in effect on the date of and immediately before such issue, then the Conversion Price of the Series D Preferred Stock shall be reduced, concurrently with such issue, to a price equal to the consideration per share received by the Corporation for such Additional Shares of Common so issued. After the second anniversary of the initial issuance of Series D Preferred Stock, the Conversion Price of the Series D Preferred Stock shall thereafter be adjusted under the provisions of paragraph 4(d)(iv)(1).

(v) Determination of Consideration. For purposes of this Section 4(d), the consideration received by the Corporation for the issue (or deemed issue) of any Additional Shares of Common shall be computed as follows:

(1) Cash and Property. Such consideration shall:

(a) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by the Corporation for any underwriting or otherwise in connection with such issuance;

(b) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors; and

(c) if Additional Shares of Common are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (a) and (b) above, as reasonably determined in good faith by the Board of Directors.

(2) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common deemed to have been issued pursuant to paragraph 4(d)(iii) shall be determined by dividing:

(x) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities by

(y) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

(e) Adjustments for Subdivisions or Combinations of Common Stock. If outstanding shares of Common Stock shall be subdivided (by Recapitalization or otherwise), into a greater number of shares of Common Stock, the Conversion Price of each series of Preferred Stock in effect immediately prior to such subdivision shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event the outstanding shares of Common Stock shall be combined (by reclassification or otherwise) into a lesser number of shares of Common Stock, the Conversion Prices in effect immediately prior to such combination shall, concurrently with the effectiveness of such combination, be proportionately increased.

(f) Adjustments for Subdivisions or Combinations of Preferred Stock. If outstanding shares of Preferred Stock or a series of Preferred Stock shall be subdivided (by Recapitalization or otherwise), into a greater number of shares of Preferred Stock, the Dividend Rate, Original Issue Price and Liquidation Preference of the affected series of Preferred Stock in effect immediately prior to such subdivision shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event the outstanding shares of Preferred Stock or a series of Preferred Stock shall be combined (by reclassification or otherwise) into a lesser number of shares of Preferred Stock, the Dividend Rate, Original Issue Price and Liquidation Preference of the affected series of Preferred Stock in effect immediately prior to such combination shall, concurrently with the effectiveness of such combination, be proportionately increased.

(g) Adjustments for Reclassification, Exchange and Substitution. Subject to Section 3 above ("**Liquidation Rights**"), if the Common Stock issuable upon conversion of the Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for above), then, in any such event, in lieu of the number of shares of Common Stock which the holders would otherwise have been entitled to receive each holder of such Preferred Stock shall have the right thereafter to convert such shares of Preferred Stock into a number of shares of such other class or classes of stock which a holder of the number of shares of Common Stock deliverable upon conversion of such series of Preferred Stock immediately before that change would have been entitled to receive in such reorganization or reclassification, all subject to further adjustment as provided herein with respect to such other shares.

(h) Special Adjustment of Series D Preferred Stock Conversion Price in connection with an IPO. Notwithstanding anything in this section to the contrary, in the event of an IPO in which all of the Series D Preferred Stock are to be converted to Common Stock in which the initial offering price to the public (prior to any underwriting discounts) (the "**IPO Price**") is less than $7.471 (as adjusted for stock splits, stock dividends, reclassification and the like), then the Conversion Price for each share of Series D Preferred Stock shall be adjusted immediately prior to the conversion of the Series D Preferred Stock into Common Stock in connection with such IPO to a Conversion Price that results in each share of Series D Preferred Stock converting into that number of shares (including fractional shares) of Common Stock as would have a deemed value (number of shares of Common Stock issued upon conversion of one share of Series D Preferred Stock multiplied by the IPO Price) equal to $7.471 (as adjusted for stock splits, stock dividends, reclassification and the like), *provided* that if the Conversion Price in effect immediately prior to such adjustment would result in such shares of Series D Preferred Stock converting into that number of shares (including fractional shares) of Common Stock as would have a deemed value (as described in the parenthetical above) greater than $7.471 (as adjusted for stock splits, stock dividends, reclassification and the like), then the provisions of this Section 4(h) shall not apply.

(i) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section 4, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price at the time in effect and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of Preferred Stock.

(j) Waiver of Adjustment of Conversion Price. Notwithstanding anything herein to the contrary, any downward adjustment of the Conversion Price of any series of Preferred Stock may be waived by the consent or vote of the holders of the majority of the outstanding shares of such series either before or after the issuance causing the adjustment. Any such waiver shall bind all future holders of shares of such series of Preferred Stock.

(k) Notices of Record Date. If the Corporation shall propose at any time:

(i) to declare any Distribution upon its Common Stock, whether in cash, property, stock or other securities, whether or not a regular cash dividend and whether or not out of earnings or earned surplus;

(ii) to effect any reclassification or recapitalization of its Common Stock outstanding involving a change in the Common Stock; or

(iii) to voluntarily liquidate or dissolve or to enter into any transaction deemed to be a Liquidation Event pursuant to Section 3(a);

then, in connection with each such event, the Corporation shall send to the holders of the Preferred Stock prior written notice of the date on which a record shall be taken for such Distribution (and specifying the date on which the holders of Common Stock shall be entitled thereto and, if applicable, the amount and character of such Distribution) or for determining rights to vote in respect of the matters referred to in (ii) and (iii) above.

Such written notice shall be given by first class mail (or express courier), postage prepaid, addressed to the holders of Preferred Stock at the address for each such holder as shown on the books of the Corporation and shall be deemed given on the date such notice is mailed.

The notice provisions set forth in this section may be shortened or waived prospectively or retrospectively by the consent or vote of the holders of a majority of the Preferred Stock, voting as a single class and on an as-converted basis.

(l) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the conversion of the shares of the Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all then outstanding shares of Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

5. Voting.

(a) Restricted Class Voting. Except as otherwise expressly provided herein or as required by law, the holders of Preferred Stock and the holders of Common Stock shall vote together and not as separate classes.

(b) No Series Voting. Other than as provided herein or required by law, there shall be no series voting.

(c) Preferred Stock. Each holder of Preferred Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which the shares of Preferred Stock held by such holder could be converted as of the record date. Fractional votes shall not be permitted and any fractional voting rights resulting from the above formula (after aggregating all shares into which shares of Preferred Stock held by each holder could be converted) shall be disregarded. Except as otherwise expressly provided herein or as required by law, the holders of shares of the Preferred Stock shall be entitled to vote on all matters on which the Common Stock shall be entitled to vote. Holders of Preferred Stock shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation.

(d) Election of Directors. The number of members of the Board of Directors shall be established as is set forth in the Bylaws. So long as at least 2,000,000 shares (as adjusted for Recapitalizations) of Series D Preferred Stock remain outstanding, the holders of Series D Preferred Stock, voting as a separate class, shall be entitled to elect one member of the Corporation's Board of Directors at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors. So long as at least 2,000,000 shares (as adjusted for Recapitalizations) of Series C Preferred Stock remain outstanding, the holders of Series C Preferred Stock, voting as a separate class, shall be entitled to elect one member of the Corporation's Board of Directors at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors. So long as at least 2,000,000 shares (as adjusted for Recapitalizations) of Series B Preferred Stock remain outstanding, the holders of Series B Preferred Stock, voting as a separate class, shall be entitled to elect one member of the Corporation's Board of Directors at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors. So long as at least 2,000,000 shares (as adjusted for Recapitalizations) of Series A Preferred Stock remain outstanding, the holders of Series A Preferred Stock, voting as a separate class, shall be entitled to elect one member of the Corporation's Board of Directors at each meeting or pursuant to each consent of the

Corporation's stockholders for the election of directors. The holders of Common Stock, voting as a separate class, shall be entitled to elect one member of the Corporation's Board of Directors at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors. Any additional members of the Corporation's Board of Directors shall be elected by the holders of Common Stock and Preferred Stock, voting together as a single class on an as-converted basis. If a vacancy on the Board of Directors is to be filled by the Board of Directors, only directors elected by the same class or classes of stockholders as those who would be entitled to vote to fill such vacancy shall vote to fill such vacancy.

(e) Adjustment in Authorized Common Stock. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares of Common Stock then outstanding) by an affirmative vote of the holders of a majority of the Preferred Stock and Common Stock voting together as a single class on an as-converted basis.

(f) Common Stock. Each holder of shares of Common Stock shall be entitled to one vote for each share thereof held.

6. Redemption.

(a) At any time after the sixth anniversary of the initial issuance of the Series D Preferred Stock, (i) at the written election of the holders of at least a majority of the then outstanding shares of Series C Preferred Stock (such election, a **"Series C Redemption Election"**), the Corporation shall redeem all outstanding shares of Series C Preferred Stock or (ii) at the written election of the holders of at least a majority of the then outstanding shares of Series D Preferred Stock (such election, a **"Series D Redemption Election"** and with the Series C Redemption Election, each a **"Redemption Election"**) the Corporation shall redeem all outstanding shares of Series D Preferred Stock, in each case, held by each Electing Holder (as defined below) which have not been converted into Common Stock pursuant to Section 4, in cash at the Redemption Price (the effective date of such redemption on a date no later than 90 days from the date of receipt by the Corporation of the Redemption Election, the **"Redemption Date"**). For purposes herein, the **"Redemption Price"** shall mean (i) for the Series C Preferred Stock, an amount per share equal to the Original Issue Price for the Series C Preferred Stock, plus all declared and unpaid dividends thereon, and (ii) for the Series D Preferred Stock, an amount per share equal to the Original Issue Price of the Series D Preferred Stock, plus eight percent (8%) per annum, compounded annually, from the date such shares of Series D Preferred Stock were originally issued by the Corporation through the Redemption Date (and if the full Redemption Price is not paid on the Redemption Date, the date such payment is actually made). Any redemption effected pursuant to this Section 6(a) shall be made on a *pro rata* and *pari passu* basis among the Electing Holders (as defined below) in proportion to the applicable shares then held by them.

(b) Within seven (7) days of receipt by the Corporation of a Redemption Election, written notice (the **"Redemption Election Notice"**) shall be mailed by the Corporation, first class postage prepaid, to each holder of record (at the close of business on the business day immediately preceding the day on which notice is given) of the Series C Preferred Stock (in the case of a Series C Redemption Election) and Series D Preferred Stock (in the case of a Series D Redemption Election), at the address last shown on the records of the Corporation for such holder, notifying such holder of the Redemption Election, the applicable Redemption Price, the Redemption Date and the manner and time period not to be less than fifteen (15) days (the **"Election Period"**) by the end of which such holder may provide written notice to the Corporation to elect to have all shares of Series C Preferred Stock (in the case of a Series C Redemption Election) or Series D Preferred Stock (in the case of a Series D Redemption Election), as applicable, held by such holder redeemed pursuant to this Section 6 (each holder making such redemption election is referred to herein as an **"Electing Holder"**). Any holder of Series C Preferred Stock (in the case of a Series C Redemption Election) or Series D Preferred Stock (in the case of a Series D Redemption Election) that does not deliver a written

redemption election to the Corporation within the Election Period applicable to a Redemption Election for such series of Preferred Stock will be deemed to have waived all redemption rights under this Section 6. Any such redemption election delivered by a holder to the Corporation within the Election Period shall be final and binding on the holder and the Corporation and may not be withdrawn or revoked without the consent of both the Electing Holder and the Corporation.

(c) At least fifteen (15), but no more than thirty (30) days, before the Redemption Date, written notice shall be mailed, first class postage prepaid, to each Electing Holder, at the address last shown on the records of the Corporation for such holder, notifying such Electing Holder of the redemption to be effected, specifying the number of shares to be redeemed from such Electing Holder, the Redemption Date, the applicable Redemption Price, the place at or manner in which payment may be obtained or made; and calling upon such holder to surrender to the Corporation, in the manner and at the place designated, the holder's certificate or certificates representing the shares to be redeemed (the **"Redemption Closing Notice"**). Except as provided herein, on or after the Redemption Date each Electing Holder shall surrender to the Corporation the certificate or certificates representing such shares, in the manner and at the place designated in the Redemption Closing Notice, and thereupon the applicable Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be cancelled. From and after the Redemption Date, unless there shall have been a failure on the part of the Corporation to pay the Redemption Price upon surrender of certificates in accordance with the Redemption Closing Notice, all rights of the Electing Holders (except the right to receive the Redemption Price without interest upon surrender of a certificate or certificates) shall cease with respect to the shares designated for redemption on such date, and such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever.

(d) Upon receipt of a Redemption Election in accordance with Section 6(a), the Corporation shall apply all of its assets to such redemption and to no other corporate purpose, except to the extent prohibited by Delaware law; provided however that the Corporation shall not be required to cease operations or sell assets required, as determined in good faith by the Board of Directors, for the continued operation of its business to pay the Redemption Price. If after giving effect to the preceding sentence, the funds of the Corporation legally available for redemption of shares of the Series C Preferred Stock or Series D Preferred Stock, as applicable, are insufficient to redeem the total number of shares of Series C Preferred Stock or Series D Preferred Stock to be redeemed, those funds which are legally available will be used to redeem the maximum possible number of shares on a *pro rata* and *pari passu* basis among the Electing Holders based upon the total Redemption Price payable to such holders pursuant to this Section 6. The shares of Series C Preferred Stock or Series D Preferred Stock not redeemed shall remain outstanding and entitled to all the rights and preferences provided herein. At any time thereafter when additional funds of the Corporation are legally available for the redemption of shares of Series C Preferred Stock or Series D Preferred Stock, as applicable, such funds will promptly be used to redeem the balance of the shares which the Corporation has become obliged to redeem, but which it has not redeemed. If the Corporation does not pay the full Redemption Price applicable to the Series D Preferred Stock on any Redemption Date, such unpaid amount shall accrue interest at a rate of two percent (2%) per annum until paid.

(e) On or before the Redemption Date, the Corporation may deposit the Redemption Price of all shares of Series C Preferred Stock and Series D Preferred Stock to be redeemed pursuant to this Section 6 and not yet redeemed with a bank or trust corporation having aggregate capital and surplus in excess of $100,000,000, as a trust fund for the benefit of the respective holders of the shares designated for redemption and not yet redeemed, with irrevocable instructions and authority to the bank or trust corporation to pay the Redemption Price for such shares to the respective holders thereof on or after the Redemption Date upon receipt of notification from the Corporation that such holder has surrendered a share certificate(s) to the Corporation pursuant to Section 6(c). The deposit shall constitute full payment of the shares to their holders,

and from and after the date of such deposit the shares so called for redemption shall be deemed to be no longer outstanding, and the holders thereof shall cease to be stockholders with respect to such shares and shall have no rights with respect thereto except the right to receive from the bank or trust corporation payment of the applicable Redemption Price of the shares, without interest, upon surrender of the certificates therefor. The balance of any monies deposited by the Corporation pursuant to this Section 6(e) remaining unclaimed on the second anniversary of the Redemption Date shall thereafter be returned to the Corporation upon its request expressed in a resolution of its Board of Directors.

7. Amendments and Changes.

(a) Preferred Stock Protective Provisions. As long as any shares of the Preferred Stock shall be issued and outstanding, the Corporation shall not, without first obtaining the approval (by vote or written consent as provided by law) of the holders of more than fifty percent (50%) of the outstanding shares of the Preferred Stock:

(i) amend, alter or repeal any provision of the Certificate of Incorporation or bylaws of the Corporation (including pursuant to a merger) if such action would adversely alter the rights, preferences, privileges or powers of, or restrictions provided for the benefit of the Preferred Stock or any series thereof;

(ii) increase or decrease (other than for decreases resulting from conversion of the Preferred Stock) the authorized number of shares of Preferred Stock or any series thereof,

(iii) authorize or create (by reclassification, merger or otherwise) any new class or series of equity security (including any security convertible into or exercisable for any equity security) having rights, preferences or privileges with respect to dividends, redemption or payments upon liquidation senior to any series of Preferred Stock;

(iv) authorize a merger, acquisition or sale of substantially all of the assets of the Corporation or any of its subsidiaries (other than a merger exclusively to effect a change of domicile of the Corporation);

(v) voluntarily liquidate or dissolve;

(vi) acquire a material amount of assets through a merger or purchase of all or substantially all of the assets or capital stock of another entity;

(vii) repurchase common stock, other than upon termination of a consultant, director or employee;

(viii) declare or pay any dividend or distribution on the preferred stock (except as provided in the certificate of incorporation) or common stock; or

(ix) amend this Section 7(a).

(b) Series C Preferred Stock Protective Provisions. As long as any shares of the Series C Preferred Stock shall be issued and outstanding, the Corporation shall not, without first obtaining the approval (by vote or written consent as provided by law) of the holders of more than fifty percent (50%) of the outstanding shares of the Series C Preferred Stock:

(i) amend, alter or waive any provision of the Certificate of Incorporation or Bylaws of the Corporation (including pursuant to a merger, consolidation or other reorganization) in a manner that adversely alters or changes the rights, preferences or privileges of the Series C Preferred Stock; provided that, an amendment, alteration or waiver that (A) creates another series of Preferred Stock with rights and preferences senior or superior to the rights of the Series C Preferred Stock, or (B) increases in shares reserved for issuance under the Corporation's option plans, purchase plans, incentive programs or similar arrangements under Section 4(d)(i)(1), shall not be considered to adversely alter or change the rights of the Series C Preferred Stock so long as it affects the other existing series of Preferred Stock in the same manner and to the same extent; or

(ii) increase or decrease (other than for decreases resulting from conversion of the Series C Preferred Stock) the authorized number of shares of Series C Preferred Stock.

(c) Series D Preferred Stock Protective Provisions. As long as any shares of the Series D Preferred Stock shall be issued and outstanding, the Corporation shall not, without first obtaining the approval (by vote or written consent as provided by law) of the holders of more than fifty percent (50%) of the outstanding shares of the Series D Preferred Stock:

(i) amend, alter or waive any provision of the Certificate of Incorporation or Bylaws of the Corporation (including pursuant to a merger, consolidation or other reorganization) in a manner that adversely alters or changes the rights, preferences or privileges of the Series D Preferred Stock; provided that, subject to Section 7(c)(iii), an amendment, alteration or waiver that (A) creates another series of preferred stock with rights and preferences *pari passu* with the Series D Preferred Stock or (B) increases in shares reserved for issuance under the Corporation's option plans, purchase plans, incentive programs or similar arrangements under Section 4(d)(i)(1) shall not be considered to adversely alter or change the rights of the Series D Preferred Stock so long as it affects the other existing series of Preferred Stock in the same manner;

(ii) increase or decrease (other than for decreases resulting from conversion of the Series D Preferred Stock) the authorized number of shares of Series D Preferred Stock;

(iii) authorize and issue (by reclassification, merger, consolidation, reorganization or otherwise) any class or series of equity security (including any security convertible into or exercisable for any equity security) that has rights or preferences senior to or *pari passu* with the Series D Preferred; *provided, however*, that the Corporation may authorize and issue (by reclassification, merger, consolidation, reorganization or otherwise) equity securities in one or more Pari Passu Financings for aggregate gross proceeds of up to $150,000,000. For purposes of this Section 7(c)(iii), "**Pari Passu Financing**" shall mean the issuance of a class or series of equity security with (A) rights and preferences (including liquidation preferences) that are *pari passu* with the rights and preferences of Series D Preferred Stock, (B) having a right to payment upon the occurrence of a Liquidation Event of an amount that is not in excess of the sum of the original issue price of such new equity security plus an amount equal to eight percent (8%) of the original issue price of such new equity security compounded annually (based on a 365-day year) from the date such shares were originally issued by the Corporation, plus declared and unpaid dividends and (C) no rights to further distributions alongside the Common Stock after the payments of the full liquidation preference amounts of the Preferred Stock unless such equity security is converted or deemed converted into Common Stock;

(iv) effect any transaction between the Corporation and Jay Chaudhry or his Affiliates, except for (A) equity financings in which the holders of rights to invest in equity financings of the Corporation as set forth in written agreements with the Corporation are given the opportunity to invest their

contractual *pro rata* amounts in such financing, (B) loans by Jay Chaudhry or his Affiliates to the Corporation on terms equal to or better than terms offered to the Corporation by third party commercial lenders, as determined by a majority of the disinterested members of the Board of Directors, or (C) arms-length executive employment arrangements approved by the Board of Directors; or

(v) incur any indebtedness for borrowed money if such indebtedness includes (A) the issuance of Convertible Securities or (B) an aggregate principal amount of indebtedness incurred in one or more transactions in excess of $75,000,000.

8. Reissuance of Preferred Stock. If any shares of Preferred Stock shall be converted pursuant to Section 4, redeemed pursuant to Section 6, or otherwise reacquired or repurchased by the Corporation, the shares so converted, redeemed repurchased or reacquired shall be cancelled and shall not be issuable by the Corporation.

9. Notices. Any notice required by the provisions of this ARTICLE V to be given to the holders of Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at such holder's address appearing on the books of the Corporation.

ARTICLE VI

The Corporation is to have perpetual existence.

ARTICLE VII

Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

ARTICLE VIII

Unless otherwise set forth herein, the number of directors which constitute the Board of Directors of the Corporation shall be designated in the Bylaws of the Corporation.

ARTICLE IX

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors of the Corporation is expressly authorized to adopt, amend or repeal the Bylaws of the Corporation.

ARTICLE X

1. To the fullest extent permitted by the Delaware General Corporation Law as the same exists or as may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director. If the Delaware General Corporation Law is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended. Neither any amendment nor repeal of this Section 1, nor the adoption of any provision of this Corporation's Certificate of Incorporation inconsistent with this Section 1, shall eliminate or reduce the effect of this Section 1, in respect of any matter occurring, or any action or proceeding accruing or arising or that, but for this Section 1, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

2. The Corporation shall have the power to indemnify, to the extent permitted by the Delaware General Corporation Law, as it presently exists or may hereafter be amended from time to time, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**") because he or she is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding. A right to indemnification or to advancement of expenses arising under a provision of this Certificate of Incorporation or a bylaw of the Corporation shall not be eliminated or impaired by an amendment to this Certificate of Incorporation or the Bylaws of the Corporation after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

ARTICLE XI

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside of the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

ARTICLE XII

To the extent permitted by law and in recognition that Covered Persons have access to information about the Corporation that will enhance such person's knowledge and understanding of the industries in which the Corporation operates, and currently have and will in the future have or will consider acquiring investments on behalf of other companies with respect to which any Covered Person may serve as an advisor, an employee, a director or in a similar capacity, and in recognition that such Covered Person has duties to both the Corporation and the various investors and partners of such other companies, and in anticipation that the Corporation, on the one hand, and the other companies for which such Covered Person serves as an advisor, employee, director or in a similar capacity, on the other hand, may engage in the same or similar activities or lines of business and have an interest in the same areas of corporate opportunities, and in recognition of the benefits to be derived by the Corporation of such Covered Person's service as a director of the Corporation, the Corporation hereby waives and renounces any interest or expectancy that a Covered Person offer the Corporation an opportunity to participate in a Specified Opportunity and hereby waives any claim that the Specified Opportunity constitutes a corporate opportunity that should have been presented by the Covered Person to the Corporation; *provided*, *however*, that the Covered Person acts in good faith.

The Corporation expressly agrees that:

1. each Covered Person has the right in connection with his or her service at a Fund: (A) to directly or indirectly engage in any business (including, without limitation, any business activities or lines of business that are the same as or similar to those pursued by, or competitive with, the Corporation and its subsidiaries), (B) to directly or indirectly do business with any client or customer of the Corporation and its subsidiaries, (C) to take any other action that the Covered Person believes in good faith is necessary to or appropriate to fulfill its obligations as described in the first sentence of this ARTICLE XII in connection with such service, and (D) not to present Specified Opportunities to the Corporation or any of its subsidiaries, and to pursue, directly or indirectly, any Specified Opportunity for itself, and to direct any Specified Opportunity to another person or entity;

2. the Covered Person will have no duty (contractual or otherwise) to communicate or present any Specified Opportunities to the Corporation or any of its subsidiaries or to refrain from any actions specified in subsection (1) of this ARTICLE XII, and the Corporation, on its own behalf and on behalf of its Affiliates, hereby renounces and waives any right to require the Covered Person to act in a manner inconsistent with the provisions of this ARTICLE XII;

3. except as otherwise required by Delaware law or the terms of any written agreement between the Covered Person and the Corporation, the Covered Person will not be liable to the Corporation or any of its subsidiaries for breach of any duty (contractual or otherwise) by reason of such person's participation in the activities or omissions of the type specified in this ARTICLE XII; and

4. other than as would be in violation of the Covered Person's fiduciary duties to the Corporation, there is no restriction on the Covered Person using such knowledge and understanding in making investment, voting, monitoring, governance or other decisions relating to other entities or securities in connection with his or her service at a Fund.

A "**Covered Person**" is any member of the Board of Directors of the Corporation (who is not an employee of the Corporation or any of its subsidiaries) who is a partner, member, officer or employee of a Fund. A "**Specified Opportunity**" is any transaction or other matter that is presented to the Covered Person (other than a matter that is first presented to such Covered Person by the Corporation (and which such Covered Person was previously not aware) in connection with his or her service as a member of the Board of Directors of the Corporation) that may be an opportunity of interest for both the Corporation and a Fund. A "**Fund**" is any venture capital fund or other private investment fund or any holder of Preferred Stock of the Company or any Affiliates of any of the foregoing.

ARTICLE XIII

For repurchases by this corporation of its Common Stock from employees, officers, directors, advisors, consultants or other persons performing services for this corporation or any subsidiary pursuant to agreements under which the corporation has the option to repurchase such shares at cost upon the occurrence of certain events, such as the termination of employment, Sections 502 and 503 of the California Corporations Code shall not apply in all or in part regarding such repurchases.

CERTIFICATE OF AMENDMENT TO THE

CERTIFICATE OF INCORPORATION OF

ZSCALER, INC.

Zscaler, Inc., a company organized and existing under the laws of the state of Delaware (the "**Corporation**"), hereby certifies that:

A. The name of this Company is Zscaler, Inc. The Corporation's original Certificate of Incorporation was filed with the Secretary of State of Delaware on September 28, 2007 under the name SafeChannel, Inc.

B. This Certificate of Amendment to the Certificate of Incorporation was duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware and amends the provisions of the Corporation's Amended and Restated Certificate of Incorporation.

C. Article V, Section 4(d)(i)(1) of the Certificate of Incorporation of the Company is hereby amended and restated in its entirety as follows:

"(1) shares of Common Stock and options, warrants or other rights to purchase Common Stock issued or issuable to employees, officers or directors of, or consultants or advisors to the Corporation or any subsidiary pursuant to stock grants, restricted stock purchase agreements, option plans, purchase plans, incentive programs or similar arrangements, including shares of Common Stock issuable upon exercise of options outstanding as of the date of filing of this Certificate of Amendment to the Certificate of Incorporation, not to exceed 17,733,667 shares in the aggregate (net of repurchases);"

D. The terms and provisions of this Certificate of Amendment to the Certificate of Incorporation have been duly approved by written consent of the required number of shares of outstanding stock of the Company pursuant to Subsection 228(a) of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, Zscaler, Inc. has caused this Certificate of Amendment to the Certificate of Incorporation to be signed by Jay S. Chaudhry, a duly authorized officer of the Company, on May 9, 2016.

ZSCALER, INC.

By: /s/ Jay S. Chaudhry
Jay S. Chaudhry, President

CERTIFICATE OF AMENDMENT TO THE

CERTIFICATE OF INCORPORATION OF

ZSCALER, INC.

Zscaler, Inc., a company organized and existing under the laws of the state of Delaware (the "**Corporation**"), hereby certifies that:

A. The name of this Company is Zscaler, Inc. The Corporation's original Certificate of Incorporation was filed with the Secretary of State of Delaware on September 28, 2007 under the name SafeChannel, Inc.

B. This Certificate of Amendment to the Certificate of Incorporation was duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware and amends the provisions of the Corporation's Amended and Restated Certificate of Incorporation.

C. Article IV of the Corporation's Amended and Restated Certificate of Incorporation is hereby amended to read in its entirety as follows:

"The total number of shares of stock that the corporation shall have authority to issue is two hundred ninety one million eight hundred ninety eight thousand five hundred twenty nine (291,898,529) shares, consisting of one hundred eighty two million eight hundred twelve thousand seven hundred fifty nine (182,812,759) shares of Common Stock, $0.001 par value per share, and one hundred nine million eighty five thousand seven hundred seventy (109,085,770) shares of Preferred Stock, $0.001 par value per share. The first Series of Preferred Stock shall be designated "**Series A Preferred Stock**" and shall consist of forty two million (42,000,000) shares. The second Series of Preferred Stock shall be designated "**Series B Preferred Stock**" and shall consist of thirty seven million two hundred eighty three thousand nine hundred fifty one (37,283,951) shares. The third Series of Preferred Stock shall be designated "**Series C Preferred Stock**" and shall consist of eleven million sixty two thousand six hundred ninety five (11,062,695) shares. The fourth Series of Preferred Stock shall be designated "**Series D Preferred Stock**" and shall consist of eighteen million seven hundred thirty nine thousand one hundred twenty four (18,739,124) shares."

D. Article V, Section 4(d)(i)(1) of the Corporation's Amended and Restated Certificate of Incorporation is hereby amended and restated in its entirety as follows:

"(1) shares of Common Stock and options, warrants or other rights to purchase Common Stock issued or issuable to employees, officers or directors of, or consultants or advisors to the Corporation or any subsidiary pursuant to stock grants, restricted stock purchase agreements, option plans, purchase plans, incentive programs or similar arrangements, including shares of Common Stock issuable upon exercise of options outstanding as of the date of filing of this Certificate of Amendment to the Certificate of Incorporation, not to exceed 23,888,215 shares in the aggregate (net of repurchases);"

E. The terms and provisions of this Certificate of Amendment to the Certificate of Incorporation have been duly approved by written consent of the required number of shares of outstanding stock of the Company pursuant to Subsection 228(a) of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, Zscaler, Inc. has caused this Certificate of Amendment to the Certificate of Incorporation to be signed by Jay S. Chaudhry, a duly authorized officer of the Company, on October 19, 2016.

ZSCALER, INC.

By: /s/ Jay S. Chaudhry
Jay S. Chaudhry, President

CERTIFICATE OF AMENDMENT TO THE

CERTIFICATE OF INCORPORATION OF

ZSCALER, INC.

Zscaler, Inc., a company organized and existing under the laws of the state of Delaware (the "**Corporation**"), hereby certifies that:

A. The name of this Company is Zscaler, Inc. The Corporation's original Certificate of Incorporation was filed with the Secretary of State of Delaware on September 28, 2007 under the name SafeChannel, Inc.

B. This Certificate of Amendment to the Certificate of Incorporation was duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware and amends the provisions of the Corporation's Amended and Restated Certificate of Incorporation.

C. Article IV of the Corporation's Amended and Restated Certificate of Incorporation is hereby amended to read in its entirety as follows:

"The total number of shares of stock that the corporation shall have authority to issue is two hundred ninety nine million eighty five thousand seven hundred seventy (299,085,770) shares, consisting of one hundred ninety million (190,000,000) shares of Common Stock, $0.001 par value per share, and one hundred nine million eighty five thousand seven hundred seventy (109,085,770) shares of Preferred Stock, $0.001 par value per share. The first Series of Preferred Stock shall be designated "**Series A Preferred Stock**" and shall consist of forty two million (42,000,000) shares. The second Series of Preferred Stock shall be designated "**Series B Preferred Stock**" and shall consist of thirty seven million two hundred eighty three thousand nine hundred fifty one (37,283,951) shares. The third Series of Preferred Stock shall be designated "**Series C Preferred Stock**" and shall consist of eleven million sixty two thousand six hundred ninety five (11,062,695) shares. The fourth Series of Preferred Stock shall be designated "**Series D Preferred Stock**" and shall consist of eighteen million seven hundred thirty nine thousand one hundred twenty four (18,739,124) shares."

D. Article V, Section 4(d)(i)(1) of the Corporation's Amended and Restated Certificate of Incorporation is hereby amended and restated in its entirety as follows:

"(1) shares of Common Stock and options, warrants or other rights to purchase Common Stock issued or issuable to employees, officers or directors of, or consultants or advisors to the Corporation or any subsidiary pursuant to stock grants, restricted stock purchase agreements, option plans, purchase plans, incentive programs or similar arrangements, including shares of Common Stock issuable upon exercise of options outstanding as of the date of filing of this Certificate of Amendment to the Certificate of Incorporation, not to exceed 25,877,892 shares in the aggregate (net of repurchases);"

E. The terms and provisions of this Certificate of Amendment to the Certificate of Incorporation have been duly approved by written consent of the required number of shares of outstanding stock of the Company pursuant to Subsection 228(a) of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, Zscaler, Inc. has caused this Certificate of Amendment to the Certificate of Incorporation to be signed by Jay S. Chaudhry, a duly authorized officer of the Company, on May 30, 2017.

ZSCALER, INC.

By: /s/ Jay S. Chaudhry
Jay S. Chaudhry, President

CERTIFICATE OF AMENDMENT TO THE

CERTIFICATE OF INCORPORATION OF

ZSCALER, INC.

Zscaler, Inc., a company organized and existing under the laws of the state of Delaware (the "**Corporation**"), hereby certifies that:

A. The name of this Company is Zscaler, Inc. The Corporation's original Certificate of Incorporation was filed with the Secretary of State of Delaware on September 28, 2007 under the name SafeChannel, Inc.

B. This Certificate of Amendment to the Certificate of Incorporation was duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware and amends the provisions of the Corporation's Amended and Restated Certificate of Incorporation.

C. Article V, Section 4(d)(i)(1) of the Corporation's Amended and Restated Certificate of Incorporation is hereby amended and restated in its entirety as follows:

> "(1) shares of Common Stock and options, warrants or other rights to purchase Common Stock issued or issuable to employees, officers or directors of, or consultants or advisors to the Corporation or any subsidiary pursuant to stock grants, restricted stock purchase agreements, option plans, purchase plans, incentive programs or similar arrangements, including shares of Common Stock issuable upon exercise of options outstanding as of the date of filing of this Certificate of Amendment to the Certificate of Incorporation, not to exceed 29,212,210 shares in the aggregate (net of repurchases);"

D. The terms and provisions of this Certificate of Amendment to the Certificate of Incorporation have been duly approved by written consent of the required number of shares of outstanding stock of the Company pursuant to Subsection 228(a) of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, Zscaler, Inc. has caused this Certificate of Amendment to the Certificate of Incorporation to be signed by Jay S. Chaudhry, a duly authorized officer of the Company, on September 22, 2017.

ZSCALER, INC.

By: /s/ Jay S. Chaudhry
Jay S. Chaudhry, President

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

ZSCALER, INC.

a Delaware corporation

Zscaler, Inc., a corporation organized and existing under the laws of the State of Delaware (the "**Corporation**"), hereby certifies as follows:

A. The name of the Corporation is Zscaler, Inc., and the original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on September 28, 2007, under the name SafeChannel, Inc.

B. This Amended and Restated Certificate of Incorporation was duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware (the "**DGCL**"), restates, integrates and further amends the provisions of the Corporation's Amended and Restated Certificate of Incorporation, and has been duly approved by the written consent of the stockholders of the Corporation in accordance with Section 228 of the DGCL.

C. The text of the Amended and Restated Certificate of Incorporation of the Corporation is hereby amended and restated to read in its entirety as follows:

ARTICLE I

The name of this corporation is Zscaler, Inc.

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is 251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808. The name of the Corporation's registered agent at such address is Corporation Service Company

ARTICLE III

The nature of the business or purposes to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

ARTICLE IV

4.1 Authorized Capital Stock. The total number of shares of all classes of capital stock that the Corporation is authorized to issue is one billion, two hundred million shares, consisting of one billion shares of Common Stock, par value $0.001 per share (the "**Common Stock**"), and two hundred million shares of Preferred Stock, par value $0.001 per share (the "**Preferred Stock**").

4.2 Increase or Decrease in Authorized Capital Stock. The number of authorized shares of Preferred Stock or Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the then-outstanding shares of capital stock of the Corporation entitled to vote thereon, irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), voting together as a single class, without a separate vote of the holders of the class or classes the number of authorized shares of which are being increased or decreased, unless a vote by any holders of one or more series of Preferred Stock is required by the express terms of any series of Preferred Stock as provided for or fixed pursuant to the provisions of Section 4.4 of this Article IV.

4.3 Common Stock.

(a) The holders of shares of Common Stock shall be entitled to one vote for each such share on each matter properly submitted to the stockholders on which the holders of shares of Common Stock are entitled to vote. Except as otherwise required by law or this certificate of incorporation (this "**Certificate of Incorporation**" which term, as used herein, shall mean the certificate of incorporation of the Corporation, as amended from time to time, including the terms of any certificate of designation of any series of Preferred Stock), and subject to the rights of the holders of Preferred Stock, at any annual or special meeting of the stockholders the holders of shares of Common Stock shall have the right to vote for the election of directors and on all other matters properly submitted to a vote of the stockholders; provided, however, that, except as otherwise required by law or expressly provided for in this Certificate of Incorporation, holders of Common Stock shall not be entitled to vote on any amendment to this Certificate of Incorporation that relates solely to the terms, number of shares, powers, designations, preferences, or relative participating, optional or other special rights (including, without limitation, voting rights), or to qualifications, limitations or restrictions thereon, of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one more other such series, to vote thereon pursuant to this Certificate of Incorporation (including, without limitation, by any certificate of designation relating to any series of Preferred Stock) or pursuant to the DGCL.

(b) Subject to the rights of the holders of Preferred Stock, the holders of shares of Common Stock shall be entitled to receive such dividends and other distributions (payable in cash, property or capital stock of the Corporation) when, as and if declared thereon by the Board of Directors of the Corporation (the "**Board of Directors**") from time to time out of any assets or funds of the Corporation legally available therefor and shall share equally on a per share basis in such dividends and distributions.

(c) In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation, and subject to the rights of the holders of Preferred Stock in respect thereof, the holders of shares of Common Stock shall be entitled to receive all the remaining assets of the Corporation available for distribution to its stockholders, ratably in proportion to the number of shares of Common Stock held by them.

4.4 Preferred Stock.

(a) The Preferred Stock may be issued from time to time in one or more series pursuant to a resolution or resolutions providing for such issue duly adopted by the Board of Directors (authority to do so being hereby expressly vested in the Board of Directors). The Board of Directors is further authorized, subject to limitations prescribed by law, to fix by resolution or resolutions and to set forth in a certificate of designation filed pursuant to the DGCL the powers, designations, preferences and relative, participation, optional or other rights, if any, and the qualifications, limitations or restrictions thereof, if any, of any series of Preferred Stock, including without limitation dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including, without limitation, sinking fund provisions), redemption price or prices, and liquidation preferences of any such series, and the number of shares constituting any such series and the designation thereof, or any of the foregoing.

(b) The Board of Directors is further authorized to increase (but not above the total number of authorized shares of the class) or decrease (but not below the number of shares of any such series then outstanding) the number of shares of any series subject to the powers, preferences and rights, and the qualifications, limitations and restrictions thereof stated in the Certificate of Incorporation or the resolution of the Board of Directors originally fixing the number of shares of such series. If the number of shares of any series is so decreased, then the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

ARTICLE V

5.1 General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

5.2 Number and Voting Power of Directors; Election; Term.

(a) Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, the number of directors that constitutes the entire Board of Directors shall be fixed solely by resolution of the Board of Directors acting pursuant to a resolution adopted by a majority of the voting power of the Whole Board. For purposes of this Certificate of Incorporation, the term "Whole Board" shall mean the total number of authorized directors whether or not there exist any vacancies or unfilled seats in previously authorized directorships (provided for the avoidance of doubt that voting power shall be attributed to any such vacancies or unfilled seats). Each director, including the chairperson of the Board of Directors, shall be entitled to cast one (1) vote on all matters and resolutions presented to the Board of Directors. In the event that the requisite affirmative vote on any matter or resolution presented to the Board of Directors cannot otherwise be obtained by directors entitled to cast one (1) vote, the chairperson of the Board of Directors shall thereupon instead be entitled to cast two (2) votes on such matter or resolution (such additional tiebreaking vote, the "**Casting Vote**"). The Casting Vote power shall terminate and no longer exist upon the earlier to occur of either: (A) the five-year anniversary of the Effective Date (as defined below) or (B) such date as the number of authorized directors of the Board of Directors is increased to a number in excess of eight (8).

(b) Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, effective upon the closing date of the initial sale of shares of Common Stock in the Corporation's initial public offering pursuant to an effective registration statement filed under the Securities Act of 1933, as amended (the "**Effective Date**"), the directors of the Corporation shall be divided into three classes as nearly equal in size as is practicable, hereby designated Class I, Class II and Class III. The initial assignment of members of the Board of Directors to each such class shall be made by the Board of Directors. The term of office of the initial Class I directors shall expire at the first regularly-scheduled annual meeting of the stockholders following the Effective Date, the term of office of the initial Class II directors shall expire at the second annual meeting of the stockholders following the Effective Date and the term of office of the initial Class III directors shall expire at the third annual meeting of the stockholders following the Effective Date. At each annual meeting of stockholders, commencing with the first regularly-scheduled annual meeting of stockholders following the Effective Date, each of the successors elected to replace the directors of a class whose term shall have expired at such annual meeting shall be elected to hold office until the third annual meeting next succeeding his or her election and until his or her respective successor shall have been duly elected and qualified. Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, if the number of directors that constitutes the Board of Directors is changed, any newly created directorships or decrease in directorships shall be so apportioned by the Board of Directors among the classes as to make all classes as nearly equal in number as is practicable, provided that no decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(c) Notwithstanding the foregoing provisions of this Section 5.2, and subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, each director shall serve until his or her successor is duly elected and qualified or until his or her earlier death, resignation, or removal.

(d) Elections of directors need not be by written ballot unless the Bylaws of the Corporation (the "**Bylaws**") shall so provide.

5.3 Removal. Effective upon the Effective Date, and subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, for so long as directors of the Corporation shall be divided into classes, a director may be removed from office by the stockholders of the Corporation only for cause.

5.4 Vacancies and Newly Created Directorships. Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, and except as otherwise provided in the DGCL or as permitted in the specific case by resolution of the Board of Directors, vacancies occurring on the Board of Directors for any reason and newly created directorships resulting from an increase in the authorized number of directors may be filled only by vote of a majority of the remaining members of the Board of Directors, although less than a quorum, or by a sole remaining director, and not by stockholders. A person so chosen to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall be duly elected and qualified.

ARTICLE VI

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, amend or repeal the Bylaws. With respect to the power of holders of capital stock of the Corporation to adopt, amend and repeal the Bylaws, notwithstanding any other provision of the Bylaws or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the capital stock of the Corporation required by law, the Certificate of Incorporation, the Bylaws or any preferred stock, the affirmative vote of the holders of at least 66 2/3% of the voting power of all of the then-outstanding shares entitled to vote thereon, voting together as a single class, shall be required to adopt, amend or repeal any provision of the Bylaws.

ARTICLE VII

7.1 No Action by Written Consent of Stockholders. Except as otherwise expressly provided by the terms of any series of Preferred Stock permitting the holders of such series of Preferred Stock to act by written consent, effective upon the Effective Date any action required or permitted to be taken by stockholders of the Corporation must be effected at a duly called annual or special meeting of the stockholders and may not be effected by written consent in lieu of a meeting.

7.2 Meetings of Stockholders. Except as otherwise expressly provided by the terms of any series of Preferred Stock permitting the holders of such series of Preferred Stock to call a special meeting of the holders of such series, special meetings of stockholders of the Corporation may be called only by the Board of Directors, acting pursuant to a resolution adopted by a majority of the voting power of the Whole Board, the chairperson of the Board of Directors, the chief executive officer of the Corporation or the president of the Corporation (in the absence of a chief executive officer of the Corporation), but a special meeting of stockholders may not be called by any other person or persons and the ability of the stockholders to call a special meeting is hereby specifically denied. The Board of Directors, acting pursuant to a resolution adopted by the holders of a majority of the voting power of the Whole Board, or the chairperson of a meeting of stockholders may cancel, postpone or reschedule any previously scheduled meeting of stockholders at any time, before or after the notice for such meeting has been sent to the stockholders.

7.3 Advance Notice. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws.

ARTICLE VIII

8.1 Limitation of Personal Liability. To the fullest extent permitted by the DGCL, as it presently exists or may hereafter be amended from time to time, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

8.2 Indemnification.

The Corporation shall indemnify, to the fullest extent permitted by applicable law, any director or officer of the Corporation who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**") by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding. The Corporation shall be required to indemnify a person in connection with a Proceeding (or part thereof) initiated by such person only if the Proceeding (or part thereof) was authorized by the Board of Directors.

The Corporation shall have the power to indemnify, to the extent permitted by the DGCL, as it presently exists or may hereafter be amended from time to time, any employee or agent of the Corporation who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding.

Any repeal or amendment of Section 8.1 or this Section 8.2 of Article VIII by the stockholders of the Corporation or by changes in law, or the adoption of any other provision of this Certificate of Incorporation inconsistent with Section 8.1 or this Section 8.2 of Article VIII will, unless otherwise required by law, be prospective only (except to the extent such amendment or change in law permits the Corporation to further limit or eliminate the liability of directors) and shall not adversely affect any right or protection of any current or former director of the Corporation existing at the time of such repeal or amendment or adoption of such inconsistent provision with respect to acts or omissions occurring prior to such repeal or amendment or adoption of such inconsistent provision.

8.3 Forum for Certain Actions.

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for: (i) any derivative action or proceeding brought on behalf of the Corporation; (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, other employee, agent or stockholder of the Corporation to the Corporation or the Corporation's stockholders; (iii) any action arising pursuant to any provision of the DGCL, the Certificate of Incorporation, or the Bylaws; (iv) any action to interpret, apply, enforce or determine the validity of the Certificate of Incorporation or the Bylaws of the Corporation; or (v) any action asserting a claim governed by the internal affairs doctrine.

Unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933. Any person or entity purchasing or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 8.3 of Article VIII and waived any objection to the removal of any action under the Securities Act of 1933 filed in a state court and removed to a federal district court.

ARTICLE IX

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation (including, without limitation, any rights, preferences or other designations of Preferred Stock), in the manner now or hereafter prescribed by this Certificate of Incorporation and the DGCL; and all rights, preferences and privileges herein conferred upon stockholders by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the right reserved in this Article IX. Notwithstanding any other provision of this Certificate of Incorporation, and in addition to any other vote that may be required by law or the terms of any series of Preferred Stock, the affirmative vote of the holders of at least 66 2/3% of the voting power of all then outstanding shares of capital stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required to amend, alter or repeal, or adopt any provision as part of this Certificate of Incorporation inconsistent with the purpose and intent of, Article V, Article VI, Article VII or this Article IX (including, without limitation, any such article as renumbered as a result of any amendment, alteration, change, repeal or adoption of any other article).

IN WITNESS WHEREOF, Zscaler, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by its duly authorized officer on this ____ day of _____, 201__.

By: _____

Name:

Title:

BYLAWS OF
SAFECHANNEL, INC.

Adopted September 28, 2007

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BYLAWS

ARTICLE I — MEETINGS OF STOCKHOLDERS

1.1 ***Place of Meetings***. Meetings of stockholders of SafeChannel, Inc. (the "**Company**") shall be held at any place, within or outside the State of Delaware, determined by the Company's board of directors (the "**Board**"). The Board may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the Delaware General Corporation Law (the "**DGCL**"). In the absence of any such designation or determination, stockholders' meetings shall be held at the Company's principal executive office.

1.2 ***Annual Meeting***. An annual meeting of stockholders shall be held for the election of directors at such date and time as may be designated by resolution of the Board from time to time. Any other proper business may be transacted at the annual meeting. The Company shall not be required to hold an annual meeting of stockholders, *provided* that (i) the stockholders are permitted to act by written consent under the Company's certificate of incorporation and these bylaws, (ii) the stockholders take action by written consent to elect directors and (iii) the stockholders unanimously consent to such action or, if such consent is less than unanimous, all of the directorships to which directors could be elected at an annual meeting held at the effective time of such action are vacant and are filled by such action.

1.3 ***Special Meeting***. A special meeting of the stockholders may be called at any time by the Board, Chairperson of the Board, Chief Executive Officer or President (in the absence of a Chief Executive Officer) or by one or more stockholders holding shares in the aggregate entitled to cast not less than 10% of the votes at that meeting.

If any person(s) other than the Board calls a special meeting, the request shall:

(i) be in writing;

(ii) specify the time of such meeting and the general nature of the business proposed to be transacted; and

(iii) be delivered personally or sent by registered mail or by facsimile transmission to the Chairperson of the Board, the Chief Executive Officer, the President (in the absence of a Chief Executive Officer) or the Secretary of the Company.

The officer(s) receiving the request shall cause notice to be promptly given to the stockholders entitled to vote at such meeting, in accordance with these bylaws, that a meeting will be held at the time requested by the person or persons calling the meeting. No business may be transacted at such special meeting other than the business specified in such notice to stockholders. Nothing contained in this paragraph of this **section 1.3** shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board may be held.

1.4 ***Notice of Stockholders' Meetings***. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Except as otherwise provided in the DGCL, the certificate of incorporation or these bylaws, the written notice of any meeting of stockholders shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting.

1.5 ***Quorum***. Except as otherwise provided by law, the certificate of incorporation or these bylaws, at each meeting of stockholders the presence in person or by proxy of the holders of shares of stock having a majority of the votes which could be cast by the holders of all outstanding shares of stock entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. Where a separate vote by a class or series or classes or series is required, a majority of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter, except as otherwise provided by law, the certificate of incorporation or these bylaws.

If, however, such quorum is not present or represented at any meeting of the stockholders, then either (i) the chairperson of the meeting, or (ii) the stockholders entitled to vote at the meeting, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, in the manner provided in **section 1.6**, until a quorum is present or represented.

1.6 ***Adjourned Meeting; Notice***. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Company may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

1.7 ***Conduct of Business***. Meetings of stockholders shall be presided over by the Chairperson of the Board, if any, or in his or her absence by the Vice Chairperson of the Board, if any, or in the absence of the foregoing persons by the Chief Executive Officer, or in the absence of the foregoing persons by the President, or in the absence of the foregoing persons by a Vice President, or in the absence of the foregoing persons by a chairperson designated by the Board, or in the absence of such designation by a chairperson chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairperson of the meeting may appoint any person to act as secretary of the meeting. The chairperson of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of business.

1.8 ***Voting***. The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of **section 1.10** of these bylaws, subject to Section 217 (relating to voting rights of fiduciaries, pledgors and joint owners of stock) and Section 218 (relating to voting trusts and other voting agreements) of the DGCL.

Except as may be otherwise provided in the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of capital stock held by such stockholder which has voting power upon the matter in question. Voting at meetings of stockholders need not be by written ballot and, unless otherwise required by law, need not be conducted by inspectors of election unless so determined by the holders of shares of stock having a majority of the votes which could be cast by the holders of all outstanding shares of stock entitled to vote thereon which are present in person or by proxy at such meeting. If authorized by the Board, such requirement of a written ballot shall be satisfied by a ballot submitted by electronic transmission (as defined in **section 7.2** of these bylaws), *provided* that any such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder or proxy holder.

Except as otherwise required by law, the certificate of incorporation or these bylaws, in all matters other than the election of directors, the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Except as otherwise required by law, the certificate of incorporation or these bylaws, directors shall be elected by a plurality of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. Where a separate vote by a class or series or classes or series is required, in all matters other than the election of directors, the affirmative vote of the majority of shares of such class or series or classes or series present in person or represented by proxy at the meeting shall be the act of such class or series or classes or series, except as otherwise provided by law, the certificate of incorporation or these bylaws.

1.9 ***Stockholder Action by Written Consent Without a Meeting***. Unless otherwise provided in the certificate of incorporation, any action required by the DGCL to be taken at any annual or special meeting of stockholders of a corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

An electronic transmission (as defined in **section 7.2**) consenting to an action to be taken and transmitted by a stockholder or proxy holder, or by a person or persons authorized to act for a stockholder or proxy holder, shall be deemed to be written, signed and dated for purposes of this section, *provided* that any such electronic transmission sets forth or is delivered with information from which the Company can determine (i) that the electronic transmission was transmitted by the stockholder or proxy holder or by a person or persons authorized to act for the stockholder or proxy holder and (ii) the date on which such stockholder or proxy holder or authorized person or persons transmitted such electronic transmission.

In the event that the Board shall have instructed the officers of the Company to solicit the vote or written consent of the stockholders of the Company, an electronic transmission of a stockholder written consent given pursuant to such solicitation may be delivered to the Secretary or the President of the Company or to a person designated by the Secretary or the President. The Secretary or the President of the Company or a designee of the Secretary or the President shall cause any such written consent by electronic transmission to be reproduced in paper form and inserted into the corporate records.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Company as provided in Section 228 of the DGCL. In the event that the action which is consented to is such as would have required the filing of a certificate under any provision of the DGCL, if such action had been voted on by stockholders at a meeting thereof, the certificate filed under such provision shall state, in lieu of any statement required by such provision concerning any vote of stockholders, that written consent has been given in accordance with Section 228 of the DGCL.

1.10 ***Record Date for Stockholder Notice; Voting; Giving Consents***. In order that the Company may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board and which record date:

(i) in the case of determination of stockholders entitled to notice of or to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty nor less than ten days before the date of such meeting;

(ii) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the Board; and

(iii) in the case of determination of stockholders for any other action, shall not be more than 60 days prior to such other action.

If no record date is fixed by the Board:

(i) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held;

(ii) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting when no prior action of the Board is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Company in accordance with applicable law, or, if prior action by the Board is required by law, shall be at the close of business on the day on which the Board adopts the resolution taking such prior action; and

(iii) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting, *provided* that the Board may fix a new record date for the adjourned meeting.

1.11 ***Proxies***. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL.

1.12 ***List of Stockholders Entitled to Vote***. The officer who has charge of the stock ledger of the Company shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The Company shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least ten days prior to the meeting: (i) on a reasonably accessible electronic network, *provided* that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the Company's principal place of business. In the event that the Company determines to make the list available on an electronic network, the Company may take reasonable steps to ensure that such information is available only to stockholders of the Company. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

ARTICLE II — DIRECTORS

2.1 ***Powers***. The business and affairs of the Company shall be managed by or under the direction of the Board, except as may be otherwise provided in the DGCL or the certificate of incorporation.

2.2 ***Number of Directors***. The Board shall consist of one or more members, each of whom shall be a natural person. Unless the certificate of incorporation fixes the number of directors, the number of directors shall be determined from time to time by resolution of the Board. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

2.3 ***Election, Qualification and Term of Office of Directors***. Except as provided in **section 2.4** of these bylaws, and subject to **sections 1.2** and **1.9** of these bylaws, directors shall be elected at each annual meeting of stockholders. Directors need not be stockholders unless so required by the certificate of incorporation or these bylaws. The certificate of incorporation or these bylaws may prescribe other qualifications for directors. Each director shall hold office until such director's successor is elected and qualified or until such director's earlier death, resignation or removal.

2.4 ***Resignation and Vacancies***. Any director may resign at any time upon notice given in writing or by electronic transmission to the Company. A resignation is effective when the resignation is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. A resignation which is conditioned upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable. Unless otherwise provided in the certificate of incorporation or these bylaws, when one or more directors resign from the Board, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

Unless otherwise provided in the certificate of incorporation or these bylaws:

(i) Vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director.

(ii) Whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the certificate of incorporation, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected.

If at any time, by reason of death or resignation or other cause, the Company should have no directors in office, then any officer or any stockholder or an executor, administrator, trustee or guardian of a stockholder, or other fiduciary entrusted with like responsibility for the person or estate of a stockholder, may call a special meeting of stockholders in accordance with the provisions of the certificate of incorporation or these bylaws, or may apply to the Court of Chancery for a decree summarily ordering an election as provided in Section 211 of the DGCL.

If, at the time of filling any vacancy or any newly created directorship, the directors then in office constitute less than a majority of the whole Board (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least 10% of the voting stock at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office as aforesaid, which election shall be governed by the provisions of Section 211 of the DGCL as far as applicable.

A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office and until such director's successor is elected and qualified, or until such director's earlier death, resignation or removal.

2.5 ***Place of Meetings; Meetings by Telephone***. The Board may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

2.6 ***Conduct of Business***. Meetings of the Board shall be presided over by the Chairperson of the Board, if any, or in his or her absence by the Vice Chairperson of the Board, if any, or in the absence of the foregoing persons by a chairperson designated by the Board, or in the absence of such designation by a chairperson chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

2.7 ***Regular Meetings***. Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board.

2.8 ***Special Meetings; Notice***. Special meetings of the Board for any purpose or purposes may be called at any time by the Chairperson of the Board, the Chief Executive Officer, the President, the Secretary or any two directors.

Notice of the time and place of special meetings shall be:

(i) delivered personally by hand, by courier or by telephone;

(ii) sent by United States first-class mail, postage prepaid;

(iii) sent by facsimile; or

(iv) sent by electronic mail,

directed to each director at that director's address, telephone number, facsimile number or electronic mail address, as the case may be, as shown on the Company's records.

If the notice is (i) delivered personally by hand, by courier or by telephone, (ii) sent by facsimile or (iii) sent by electronic mail, it shall be delivered or sent at least 24 hours before the time of the holding of the meeting. If the notice is sent by United States mail, it shall be deposited in the United States mail at least four days before the time of the holding of the meeting. Any oral notice may be communicated to the director. The notice need not specify the place of the meeting (if the meeting is to be held at the Company's principal executive office) nor the purpose of the meeting.

2.9 ***Quorum; Voting***. At all meetings of the Board, a majority of the total authorized number of directors shall constitute a quorum for the transaction of business. If a quorum is not present at any meeting of the Board, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

The vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board, except as may be otherwise specifically provided by statute, the certificate of incorporation or these bylaws.

If the certificate of incorporation provides that one or more directors shall have more or less than one vote per director on any matter, every reference in these bylaws to a majority or other proportion of directors shall refer to a majority or other proportion of the votes of the directors.

2.10 ***Board Action by Written Consent Without a Meeting***. Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

2.11 ***Fees and Compensation of Directors***. Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board shall have the authority to fix the compensation of directors.

2.12 ***Removal of Directors***. Unless otherwise restricted by statute, the certificate of incorporation or these bylaws, any director or the entire Board may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

ARTICLE III — COMMITTEES

3.1 ***Committees of Directors***. The Board may designate one or more committees, each committee to consist of one or more of the directors of the Company. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board or in these bylaws, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company, and may authorize the seal of the Company to be affixed to all papers that may require it; but no such committee shall have the power or authority to (i) approve or adopt, or recommend to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopt, amend or repeal any bylaw of the Company.

3.2 ***Committee Minutes***. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

3.3 ***Meetings and Actions of Committees***. Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of:

(i) **section 2.5** (Place of Meetings; Meetings by Telephone);

(ii) **section 2.7** (Regular Meetings);

(iii) **section 2.8** (Special Meetings; Notice);

(iv) **section 2.9** (Quorum; Voting);

(v) **section 2.10** (Board Action by Written Consent Without a Meeting); and

(vi) **section 7.5** (Waiver of Notice)

with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board and its members. *However*:

(vii) the time of regular meetings of committees may be determined either by resolution of the Board or by resolution of the committee;

(viii) special meetings of committees may also be called by resolution of the Board; and

(ix) notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The Board may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

Any provision in the certificate of incorporation providing that one or more directors shall have more or less than one vote per director on any matter shall apply to voting in any committee or subcommittee, unless otherwise provided in the certificate of incorporation or these bylaws.

3.4 ***Subcommittees***. Unless otherwise provided in the certificate of incorporation, these bylaws or the resolutions of the Board designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

ARTICLE IV — OFFICERS

4.1 ***Officers***. The officers of the Company shall be a President and a Secretary. The Company may also have, at the discretion of the Board, a Chairperson of the Board, a Vice Chairperson of the Board, a Chief Executive Officer, one or more Vice Presidents, a Chief Financial Officer, a Treasurer, one or more Assistant Treasurers, one or more Assistant Secretaries, and any such other officers as may be appointed in accordance with the provisions of these bylaws. Any number of offices may be held by the same person.

4.2 ***Appointment of Officers***. The Board shall appoint the officers of the Company, except such officers as may be appointed in accordance with the provisions of **section 4.3** of these bylaws.

4.3 ***Subordinate Officers***. The Board may appoint, or empower the Chief Executive Officer or, in the absence of a Chief Executive Officer, the President, to appoint, such other officers and agents as the business of the Company may require. Each of such officers and agents shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the Board may from time to time determine.

4.4 ***Removal and Resignation of Officers***. Any officer may be removed, either with or without cause, by an affirmative vote of the majority of the Board at any regular or special meeting of the Board or, except in the case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board.

Any officer may resign at any time by giving written notice to the Company. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Company under any contract to which the officer is a party.

4.5 ***Vacancies in Offices***. Any vacancy occurring in any office of the Company shall be filled by the Board or as provided in **section 4.3**.

4.6 ***Representation of Shares of Other Corporations***. Unless otherwise directed by the Board, the President or any other person authorized by the Board or the President is authorized to vote, represent and exercise on behalf of the Company all rights incident to any and all shares of any other corporation or corporations standing in the name of the Company. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

4.7 ***Authority and Duties of Officers***. Except as otherwise provided in these bylaws, the officers of the Company shall have such powers and duties in the management of the Company as may be designated from time to time by the Board and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board.

ARTICLE V — INDEMNIFICATION

5.1 ***Indemnification of Directors and Officers in Third Party Proceedings***. Subject to the other provisions of this **Article V**, the Company shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**") (other than an action by or in the right of the Company) by reason of the fact that such person is or was a director or officer of the Company, or is or was a director or officer of the Company serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

5.2 ***Indemnification of Directors and Officers in Actions by or in the Right of the Company***. Subject to the other provisions of this **Article V**, the Company shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Company, or is or was a director or officer of the Company serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company; except that no indemnification shall be made in respect of any claim, issue or matter as

to which such person shall have been adjudged to be liable to the Company unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

5.3 ***Successful Defense***. To the extent that a present or former director or officer of the Company has been successful on the merits or otherwise in defense of any action, suit or proceeding described in **section 5.1** or **section 5.2**, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

5.4 ***Indemnification of Others***. Subject to the other provisions of this **Article V**, the Company shall have power to indemnify its employees and agents to the extent not prohibited by the DGCL or other applicable law. The Board shall have the power to delegate to such person or persons the determination of whether employees or agents shall be indemnified.

5.5 ***Advanced Payment of Expenses***. Expenses (including attorneys' fees) incurred by an officer or director of the Company in defending any Proceeding shall be paid by the Company in advance of the final disposition of such Proceeding upon receipt of a written request therefor (together with documentation reasonably evidencing such expenses) and an undertaking by or on behalf of the person to repay such amounts if it shall ultimately be determined that the person is not entitled to be indemnified under this **Article V** or the DGCL. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the Company deems appropriate. The right to advancement of expenses shall not apply to any claim for which indemnity is excluded pursuant to these bylaws.

5.6 ***Limitation on Indemnification***. Subject to the requirements in **section 5.3** and the DGCL, the Company shall not be obligated to indemnify any person pursuant to this **Article V** in connection with any Proceeding (or any part of any Proceeding):

(i) for which payment has actually been made to or on behalf of such person under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(ii) for an accounting or disgorgement of profits pursuant to Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of federal, state or local statutory law or common law, if such person is held liable therefor (including pursuant to any settlement arrangements);

(iii) for any reimbursement of the Company by such person of any bonus or other incentive-based or equity-based compensation or of any profits realized by such person from the sale of securities of the Company, as required in each case under the Securities Exchange Act of 1934, as amended (including any such reimbursements that arise from an accounting restatement of the Company

pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), or the payment to the Company of profits arising from the purchase and sale by such person of securities in violation of Section 306 of the Sarbanes-Oxley Act), if such person is held liable therefor (including pursuant to any settlement arrangements);

(iv) initiated by such person, including any Proceeding (or any part of any Proceeding) initiated by such person against the Company or its directors, officers, employees, agents or other indemnitees, unless (a) the Board authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (b) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law, (c) otherwise required to be made under **section 5.7** or (d) otherwise required by applicable law; or

(v) if prohibited by applicable law.

5.7 ***Determination; Claim***. If a claim for indemnification or advancement of expenses under this **Article V** is not paid in full within 90 days after receipt by the Company of the written request therefor, the claimant shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of expenses. The Company shall indemnify such person against any and all expenses that are incurred by such person in connection with any action for indemnification or advancement of expenses from the Company under this **Article V,** to the extent such person is successful in such action, and to the extent not prohibited by law. In any such suit, the Company shall, to the fullest extent not prohibited by law, have the burden of proving that the claimant is not entitled to the requested indemnification or advancement of expenses.

5.8 ***Non-Exclusivity of Rights***. The indemnification and advancement of expenses provided by, or granted pursuant to, this **Article V** shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the certificate of incorporation or any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. The Company is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advancement of expenses, to the fullest extent not prohibited by the DGCL or other applicable law.

5.9 ***Insurance***. The Company may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Company would have the power to indemnify such person against such liability under the provisions of the DGCL.

5.10 ***Survival***. The rights to indemnification and advancement of expenses conferred by this **Article V** shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

5.11 ***Effect of Repeal or Modification***. Any amendment, alteration or repeal of this **Article V** shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to such amendment, alteration or repeal.

5.12 ***Certain Definitions***. For purposes of this **Article V**, references to the "**Company**" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this **Article V** with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. For purposes of this **Article V**, references to "**other enterprises**" shall include employee benefit plans; references to "**fines**" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "**serving at the request of the Company**" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "**not opposed to the best interests of the Company**" as referred to in this **Article V**.

ARTICLE VI — STOCK

6.1 ***Stock Certificates; Partly Paid Shares***. The shares of the Company shall be represented by certificates, *provided* that the Board may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Company. Every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of the Company by the Chairperson of the Board or Vice-Chairperson of the Board, or the President or a Vice-President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Company representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Company with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The Company shall not have power to issue a certificate in bearer form.

The Company may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly paid shares, or upon the books and records of the Company in the case of uncertificated partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the Company shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

6.2 ***Special Designation on Certificates***. If the Company is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the Company shall issue to represent such class or series of stock; *provided* that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate that the Company shall issue to represent such class or series of stock, a statement that the Company will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the Company shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to this section 6.2 or Sections 156, 202(a) or 218(a) of the DGCL or with respect to this section 6.2 a statement that the Company will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

6.3 ***Lost Certificates***. Except as provided in this **section 6.3**, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the Company and cancelled at the same time. The Company may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Company may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Company a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

6.4 ***Dividends***. The Board, subject to any restrictions contained in the certificate of incorporation or applicable law, may declare and pay dividends upon the shares of the Company's capital stock. Dividends may be paid in cash, in property, or in shares of the Company's capital stock, subject to the provisions of the certificate of incorporation.

The Board may set apart out of any of the funds of the Company available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve.

6.5 ***Stock Transfer Agreements***. The Company shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the Company to restrict the transfer of shares of stock of the Company of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

6.6 ***Registered Stockholders***. The Company:

(i) shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner;

(ii) shall be entitled to hold liable for calls and assessments the person registered on its books as the owner of shares; and

(iii) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

6.7 ***Transfers***. Transfers of record of shares of stock of the Company shall be made only upon its books by the holders thereof, in person or by an attorney duly authorized, and, if such stock is certificated, upon the surrender of a certificate or certificates for a like number of shares, properly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer.

ARTICLE VII — MANNER OF GIVING NOTICE AND WAIVER

7.1 ***Notice of Stockholder Meetings***. Notice of any meeting of stockholders, if mailed, is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the Company's records. An affidavit of the Secretary or an Assistant Secretary of the Company or of the transfer agent or other agent of the Company that the notice has been given shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

7.2 ***Notice by Electronic Transmission***. Without limiting the manner by which notice otherwise may be given effectively to stockholders pursuant to the DGCL, the certificate of incorporation or these bylaws, any notice to stockholders given by the Company under any provision of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Company. Any such consent shall be deemed revoked if:

(i) the Company is unable to deliver by electronic transmission two consecutive notices given by the Company in accordance with such consent; and

(ii) such inability becomes known to the Secretary or an Assistant Secretary of the Company or to the transfer agent, or other person responsible for the giving of notice.

However, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

Any notice given pursuant to the preceding paragraph shall be deemed given:

(iii) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice;

(iv) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice;

(v) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and

(vi) if by any other form of electronic transmission, when directed to the stockholder.

An affidavit of the Secretary or an Assistant Secretary or of the transfer agent or other agent of the Company that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

An "**electronic transmission**" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

Notice by a form of electronic transmission shall not apply to Sections 164, 296, 311, 312 or 324 of the DGCL.

7.3 ***Notice to Stockholders Sharing an Address***. Except as otherwise prohibited under the DGCL, without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Company under the provisions of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Any such consent shall be revocable by the stockholder by written notice to the Company. Any stockholder who fails to object in writing to the Company, within 60 days of having been given written notice by the Company of its intention to send the single notice, shall be deemed to have consented to receiving such single written notice.

7.4 ***Notice to Person with Whom Communication is Unlawful***. Whenever notice is required to be given, under the DGCL, the certificate of incorporation or these bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Company is such as to require the filing of a certificate under the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

7.5 ***Waiver of Notice***. Whenever notice is required to be given under any provision of the DGCL, the certificate of incorporation or these bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the certificate of incorporation or these bylaws.

ARTICLE VIII — GENERAL MATTERS

8.1 ***Fiscal Year***. The fiscal year of the Company shall be fixed by resolution of the Board and may be changed by the Board.

8.2 ***Seal***. The Company may adopt a corporate seal, which shall be in such form as may be approved from time to time by the Board. The Company may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

8.3 ***Annual Report***. The Company shall cause an annual report to be sent to the stockholders of the Company to the extent required by applicable law. If and so long as there are fewer than 100 holders of record of the Company's shares, the requirement of sending an annual report to the stockholders of the Company is expressly waived (to the extent permitted under applicable law).

8.4 ***Construction; Definitions***. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the DGCL shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

ARTICLE IX — AMENDMENTS

These bylaws may be adopted, amended or repealed by the stockholders entitled to vote. However, the Company may, in its certificate of incorporation, confer the power to adopt, amend or repeal bylaws upon the directors. The fact that such power has been so conferred upon the directors shall not divest the stockholders of the power, nor limit their power to adopt, amend or repeal bylaws.

A bylaw amendment adopted by stockholders which specifies the votes that shall be necessary for the election of directors shall not be further amended or repealed by the Board.

SAFECHANNEL, INC.

CERTIFICATE OF ADOPTION OF BYLAWS

The undersigned hereby certifies that he or she is the duly elected, qualified and acting Secretary or Assistant Secretary of SafeChannel, Inc., a Delaware corporation (the "**Company**"), and that the foregoing bylaws, comprising 21 pages, were adopted as the bylaws of the Company on September 28, 2007.

The undersigned has executed this certificate as of September 28, 2007.

/s/ P. Jyoti Chaudhry
(*signature*)

P. Jyoti Chaudhry
(*print name*)

Secretary
(*title*)

Exhibit 3.4

AMENDED AND RESTATED BYLAWS OF

ZSCALER, INC.

(Adopted on October 27, 2017)

(Effective upon the
effectiveness of the registration statement for the Company's initial public offering)

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BYLAWS OF ZSCALER, INC.

ARTICLE I - CORPORATE OFFICES

1.1 REGISTERED OFFICE

The registered office of Zscaler, Inc. shall be fixed in the corporation's certificate of incorporation, as the same may be amended from time to time.

1.2 OTHER OFFICES

The corporation may at any time establish other offices at any place or places.

ARTICLE II - MEETINGS OF STOCKHOLDERS

2.1 PLACE OF MEETINGS

Meetings of stockholders shall be held at any place, within or outside the State of Delaware, designated by the board of directors. The board of directors may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the Delaware General Corporation Law (the "**DGCL**"). In the absence of any such designation or determination, stockholders' meetings shall be held at the corporation's principal executive office.

2.2 ANNUAL MEETING

The annual meeting of stockholders shall be held on such date, at such time, and at such place (if any) within or without the State of Delaware, as the board of directors shall designate from time to time and stated in the corporation's notice of the meeting. At the annual meeting, directors shall be elected and any other proper business, brought in accordance with Section 2.4 of these bylaws, may be transacted. The board of directors, acting pursuant to a resolution adopted by a majority of the voting power of the Whole Board, may cancel, postpone or reschedule any previously scheduled annual meeting at any time, before or after the notice for such meeting has been sent to the stockholders. For purposes of these bylaws, the term "**Whole Board**" shall mean the total number of authorized directors whether or not there exist any vacancies or unfilled seats in previously authorized directorships (provided for the avoidance of doubt that voting power shall be attributed to any such vacancies or unfilled seats).

2.3 SPECIAL MEETING

(i) A special meeting of the stockholders, other than as required by statute, may be called at any time by the board of directors, acting pursuant to a resolution adopted by a majority of the voting power of the Whole Board, the chairperson of the board of directors, the chief executive officer or the president (in the absence of a chief executive officer), but a special meeting may not be called by any other person or persons. The board of directors, acting pursuant to a resolution adopted by a majority of the voting power of the Whole Board, may cancel, postpone or reschedule any previously scheduled special meeting at any time, before or after the notice for such meeting has been sent to the stockholders.

(ii) The notice of a special meeting shall include the purpose for which the meeting is called. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting by or at the direction of the board of directors, chairperson of the board of directors, chief executive officer or president (in the absence of a chief executive officer). Nothing contained in this Section 2.3(ii) shall be construed as limiting, fixing or affecting the time when a meeting of stockholders called by action of the board of directors may be held.

2.4 ADVANCE NOTICE PROCEDURES

(i) *Advance Notice of Stockholder Business.* At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be brought: (A) pursuant to the corporation's proxy materials with respect to such meeting, (B) by or at the direction of the board of directors, or (C) by a stockholder of the corporation who (1) is a stockholder of record at the time of the giving of the notice required by this Section 2.4(i), on the record date for the determination of stockholders entitled to notice of the annual meeting and on the record date for the determination of stockholders entitled to vote at the annual meeting and (2) has timely complied in proper written form with the notice procedures set forth in this Section 2.4(i). In addition, for business to be properly brought before an annual meeting by a stockholder, such business must be a proper matter for stockholder action pursuant to these bylaws and applicable law. For the avoidance of doubt, clause (C) above shall be the exclusive means for a stockholder to bring business (other than business included in the corporation's proxy materials pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended, or any successor thereto (the "**1934 Act**")) before an annual meeting of stockholders.

(a) To comply with clause (C) of Section 2.4(i) above, a stockholder's notice must set forth all information required under this Section 2.4(i) and must be timely received by the secretary of the corporation. To be timely, a stockholder's notice must be received by the secretary at the principal executive offices of the corporation not later than the 45th day nor earlier than the 75th day before the one-year anniversary of the date on which the corporation first mailed its proxy materials or a notice of availability of proxy materials (whichever is earlier) for the preceding year's annual meeting; *provided*, *however*, that in the event that no annual meeting was held in the previous year or if the date of the annual meeting is advanced by more than 30 days prior to or delayed by more than 60 days after the one-year anniversary of the date of the previous year's annual meeting, then, for notice by the stockholder to be timely, it must be so received by the secretary not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of (i) the 90th day prior to such annual meeting, or (ii) the tenth day following the day on which Public Announcement (as defined below) of the date of such annual meeting is first made. In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described in this Section 2.4(i)(a). "**Public Announcement**" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the 1934 Act.

(b) To be in proper written form, a stockholder's notice to the secretary must set forth as to each matter of business the stockholder intends to bring before the annual meeting: (1) a brief description of the business intended to be brought before the annual meeting, the text of the proposed business (including the text of any resolutions proposed for consideration) and the reasons for conducting such business at the annual meeting, (2) the name and address, as they appear on the corporation's books, of the stockholder proposing such business and any Stockholder Associated Person (as defined below), (3) the class and number of shares of the corporation that are held of record or are beneficially owned by the stockholder or any Stockholder Associated Person and any derivative positions held or beneficially held by the stockholder or any Stockholder Associated Person, (4) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of such stockholder or any Stockholder Associated Person with respect to any securities of the corporation, and a description of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit from share price changes for, or to increase or decrease the voting power of, such stockholder or any Stockholder Associated Person with respect to any securities of the corporation, (5) any material interest of the stockholder or a Stockholder Associated Person in such business, and (6) a statement whether either such stockholder or any Stockholder Associated Person will deliver a proxy statement and form of proxy to holders of at least the percentage of the corporation's voting shares required under applicable law to carry the proposal (such information provided and statements made as required by clauses (1) through (6), a "**Business Solicitation Statement**"). In addition, to be in proper written form, a stockholder's notice to the secretary must be supplemented not later than ten days following the record date for the determination of stockholders entitled to notice of the meeting to disclose the information contained in clauses (3) and (4) above as of such record date. For purposes of this Section 2.4, a "**Stockholder Associated Person**" of any stockholder shall mean (i) any person controlling, directly or indirectly, or acting in concert with, such stockholder, (ii) any beneficial owner of shares of stock of the corporation owned of record or beneficially by such stockholder and on whose behalf the proposal or nomination, as the case may be, is being made, or (iii) any person controlling, controlled by or under common control with such person referred to in the preceding clauses (i) and (ii).

(c) Without exception, no business shall be conducted at any annual meeting except in accordance with the provisions set forth in this Section 2.4(i) and, if applicable, Section 2.4(ii). In addition, business proposed to be brought by a stockholder may not be brought before the annual meeting if such stockholder or a Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Business Solicitation Statement applicable to such business or if the Business Solicitation Statement applicable to such business contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading. The chairperson of the annual meeting shall, if the facts warrant, determine and declare at the annual meeting that business was not properly brought before the annual meeting and in accordance with the provisions of this Section 2.4(i), and, if the chairperson should so determine, he or she shall so declare at the annual meeting that any such business not properly brought before the annual meeting shall not be conducted.

(ii) *Advance Notice of Director Nominations at Annual Meetings.* Notwithstanding anything in these bylaws to the contrary, only persons who are nominated in accordance with the procedures set forth in this Section 2.4(ii) shall be eligible for election or re-election as directors at an annual meeting of stockholders. Nominations of persons for election to the board of directors of the corporation shall be made at an annual meeting of stockholders only (A) by or at the direction of the board of directors or (B) by a stockholder of the corporation who (1) was a stockholder of record at the time of the giving of the notice required by this Section 2.4(ii), on the record date for the determination of stockholders entitled to notice of the annual meeting and on the record date for the determination of stockholders entitled to vote at the annual meeting and (2) has complied with the notice procedures set forth in this Section 2.4(ii). In addition to any other applicable requirements, for a nomination to be made by a stockholder, the stockholder must have given timely notice thereof in proper written form to the secretary of the corporation.

(a) To comply with clause (B) of Section 2.4(ii) above, a nomination to be made by a stockholder must set forth all information required under this Section 2.4(ii) and must be received by the secretary of the corporation at the principal executive offices of the corporation at the time set forth in, and in accordance with, the final three sentences of Section 2.4(i)(a) above; provided, however, that in the event that the number of directors to be elected to the board of directors is increased and there is no Public Announcement naming all of the nominees for director or specifying the size of the increased board made by the corporation at least ten (10) days before the last day a stockholder may deliver a notice of nomination pursuant to the foregoing provisions, a stockholder's notice required by this Section 2.4(ii) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be received by the secretary at the principal executive offices of the corporation not later than the close of business on the tenth day following the day on which such Public Announcement is first made by the corporation.

(b) To be in proper written form, such stockholder's notice to the secretary must set forth:

(1) as to each person (a "**nominee**") whom the stockholder proposes to nominate for election or re-election as a director: (A) the name, age, business address and residence address of the nominee, (B) the principal occupation or employment of the nominee, (C) the class and number of shares of the corporation that are held of record or are beneficially owned by the nominee and any derivative positions held or beneficially held by the nominee, (D) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of the nominee with respect to any securities of the corporation, and a description of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit of share price changes for, or to increase or decrease the voting power of the nominee, (E) a description of all arrangements or understandings between or among the stockholder, any nominee or any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the stockholder, including a description of any compensatory, payment or other financial agreement, arrangement or understanding involving the nominee and of any compensation or other payment received by or on behalf of the nominee, in each case in connection with candidacy or service as a director of the corporation, (F) a written statement executed by the nominee acknowledging and representing that the nominee intends to serve a full term on the board of directors if elected and that, as a director of the corporation, the nominee will owe a fiduciary duty under Delaware law with respect to the corporation and its stockholders, and (G) any other information relating to the nominee that would be required to be disclosed about such nominee if proxies were being solicited for the election of the nominee as a director, or that is otherwise required, in each case pursuant to Regulation 14A under the 1934 Act (including without limitation the nominee's written consent to being named in the proxy statement, if any, as a nominee and to serving as a director if elected); and

(2) as to such stockholder giving notice, (A) the information required to be provided pursuant to clauses (2) through (5) of Section 2.4(i)(b) above, and the supplement referenced in the second sentence of Section 2.4(i)(b) above (except that the references to "business" in such clauses shall instead refer to nominations of directors for purposes of this paragraph), and (B) a statement whether either such stockholder or Stockholder Associated Person will deliver a proxy statement and form of proxy to holders of a number of the corporation's voting shares reasonably believed by such stockholder or Stockholder Associated Person to be necessary to elect such nominee(s) (such information provided and statements made as required by clauses (A) and (B) above, a "**Nominee Solicitation Statement**").

(c) At the request of the board of directors, any person nominated by a stockholder for election as a director must furnish to the secretary of the corporation (1) that information required to be set forth in the stockholder's notice of nomination of such person as a director as of a date subsequent to the date on which the notice of such person's nomination was given and (2) such other information as may reasonably be required by the corporation to determine the eligibility of such proposed nominee to serve as an independent director of the corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee; in the absence of the furnishing of such information if requested, such stockholder's nomination shall not be considered in proper form pursuant to this Section 2.4(ii).

(d) Without exception, no person shall be eligible for election or re-election as a director of the corporation at an annual meeting of stockholders unless nominated in accordance with the provisions set forth in this Section 2.4(ii). In addition, a nominee shall not be eligible for election or re-election if a stockholder or Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Nominee Solicitation Statement applicable to such nominee or in any other notice to the corporation or if the Nominee Solicitation Statement applicable to such nominee or any other relevant notice contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading. The chairperson of the annual meeting shall, if the facts warrant, determine and declare at the annual meeting that a nomination was not made in accordance with the provisions prescribed by these bylaws, and if the chairperson should so determine, he or she shall so declare at the annual meeting, and the defective nomination shall be disregarded.

(iii) *Advance Notice of Director Nominations for Special Meetings.*

(a) For a special meeting of stockholders at which directors are to be elected pursuant to Section 2.3, nominations of persons for election to the board of directors shall be made only (1) by or at the direction of the board of directors or (2) by any stockholder of the corporation who (A) is a stockholder of record at the time of the giving of the notice required by this Section 2.4(iii), on the record date for the determination of stockholders entitled to notice of the special meeting and on the record date for the determination of stockholders entitled to vote at the special meeting and (B) delivers a timely written notice of the nomination to the secretary of the corporation that includes the information set forth in Sections 2.4(ii)(b) and (ii)(c) above. To be timely, such notice must be received by the secretary at the principal executive offices of the corporation not later than the close of business on the later of the 90th day prior to such special meeting or the tenth day following the day on which Public Announcement is first made of the date of the special meeting and of the nominees proposed by the board of directors to be elected at such meeting. A person shall not be eligible for election or re-election as a director at a special meeting unless the person is nominated (i) by or at the direction of the board of directors or (ii) by a stockholder in accordance with the notice procedures set forth in this Section 2.4(iii). In addition, a nominee shall not be eligible for election or re-election if a stockholder or Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Nominee Solicitation Statement applicable to such nominee or in any other notice to the corporation or if the Nominee Solicitation Statement applicable to such nominee or any other relevant notice contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading.

(b) The chairperson of the special meeting shall, if the facts warrant, determine and declare at the meeting that a nomination or business was not made in accordance with the procedures prescribed by these bylaws, and if the chairperson should so determine, he or she shall so declare at the meeting, and the defective nomination or business shall be disregarded.

(iv) *Other Requirements and Rights.* In addition to the foregoing provisions of this Section 2.4, a stockholder must also comply with all applicable requirements of state law and of the 1934 Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.4, including, with respect to business such stockholder intends to bring before the annual meeting that involves a proposal that such stockholder requests to be included in the corporation's proxy statement, the requirements of Rule 14a-8 (or any successor provision) under the 1934 Act. Nothing in this Section 2.4 shall be deemed to affect any right of the corporation to omit a proposal from the corporation's proxy statement pursuant to Rule 14a-8 (or any successor provision) under the 1934 Act.

2.5 NOTICE OF STOCKHOLDERS' MEETINGS

Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Except as otherwise provided in the DGCL, the certificate of incorporation or these bylaws, the written notice of any meeting of stockholders shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting.

2.6 QUORUM

The holders of a majority of the voting power of the stock issued and outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders. Where a separate vote by a class or series or classes or series is required, a majority of the voting power of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter, except as otherwise provided by law, the certificate of incorporation or these bylaws.

If, however, such quorum is not present or represented at any meeting of the stockholders, then either (i) the chairperson of the meeting, or (ii) the stockholders entitled to vote at the meeting, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented. At such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the original meeting.

2.7 ADJOURNED MEETING; NOTICE

When a meeting is adjourned to another time or place, unless these bylaws otherwise require, notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the board of directors shall fix a new record date for notice of such adjourned meeting in accordance with Section 213(a) of the DGCL and Section 2.11 of these bylaws, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

2.8 CONDUCT OF BUSINESS

The chairperson of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of business and discussion as seem to the chairperson in order. The chairperson of any meeting of stockholders shall have the power to adjourn the meeting to another place, if any, date or time. The chairperson of any meeting of stockholders shall be designated by the board of directors; in the absence of such designation, the chairperson of the board, if any, or the chief executive officer (in the absence of the chairperson of the board), or the president (in the absence of the chairperson of the board and the chief executive officer), or in their absence any other executive officer of the corporation, shall serve as chairperson of the stockholder meeting.

2.9 VOTING

The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 2.11 of these bylaws, subject to Section 217 (relating to voting rights of fiduciaries, pledgors and joint owners of stock) and Section 218 (relating to voting trusts and other voting agreements) of the DGCL.

Except as may be otherwise provided in the certificate of incorporation or these bylaws, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder.

Except as otherwise provided by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange, in all matters other than the election of directors, the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Except as otherwise required by law, the certificate of incorporation or these bylaws, directors shall be elected by a plurality of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. Where a separate vote by a class or series or classes or series is required, in all matters other than the election of directors, the affirmative vote of the majority of the voting power of the shares of such class or series or classes or series present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of such class or series or classes or series, except as otherwise provided by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange.

2.10 STOCKHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Subject to the rights of the holders of the shares of any series of Preferred Stock or any other class of stock or series thereof having a preference over the Common Stock as to dividends or upon liquidation, any action required or permitted to be taken by the stockholders of the corporation must be effected at a duly called annual or special meeting of stockholders of the corporation and may not be effected by any consent in writing by such stockholders.

2.11 RECORD DATES

In order that the corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the board of directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the board of directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination.

If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however*, that the board of directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the provisions of Section 213 of the DGCL and this Section 2.11 at the adjourned meeting.

In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

2.12 PROXIES

Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL.

2.13 LIST OF STOCKHOLDERS ENTITLED TO VOTE

The corporation shall prepare, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting; *provided, however,* if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, *provided* that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the corporation’s principal place of business. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then such list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

2.14 INSPECTORS OF ELECTION

A written proxy may be in the form of a telegram, cablegram, or other means of electronic transmission which sets forth or is submitted with information from which it can be determined that the telegram, cablegram, or other means of electronic transmission was authorized by the stockholder.

Before any meeting of stockholders, the board of directors shall appoint an inspector or inspectors of election to act at the meeting or its adjournment. The corporation may designate one (1) or more persons as alternate inspectors to replace any inspector who fails to act. Such inspectors shall take all actions as contemplated under Section 231 of the DGCL or any successor provision thereto.

The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are multiple inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is *prima facie* evidence of the facts stated therein.

ARTICLE III - DIRECTORS

3.1 POWERS

The business and affairs of the corporation shall be managed by or under the direction of the board of directors, except as may be otherwise provided in the DGCL or the certificate of incorporation.

3.2 NUMBER OF DIRECTORS

The board of directors shall consist of one or more members, each of whom shall be a natural person. Unless the certificate of incorporation fixes the number of directors, the number of directors shall be determined from time to time by resolution adopted by a majority of the voting power of the Whole Board. No reduction of the authorized number of directors shall have the effect of removing any director before that director’s term of office expires.

3.3 ELECTION, QUALIFICATION AND TERM OF OFFICE OF DIRECTORS

Except as provided in Section 3.4 of these bylaws, each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until such director’s successor is elected and qualified or until such director’s earlier death, resignation or removal. Directors need not be stockholders unless so required by the certificate of incorporation or these bylaws. The certificate of incorporation or these bylaws may prescribe other qualifications for directors.

If so provided in the certificate of incorporation, the directors of the corporation shall be divided into three classes.

3.4 RESIGNATION AND VACANCIES

Any director may resign at any time upon notice given in writing or by electronic transmission to the corporation. A resignation is effective when the resignation is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. A resignation which is conditioned upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable. Unless otherwise provided in the certificate of incorporation or these bylaws, when one or more directors resign from the board of directors, effective at a future date, a majority of the voting power of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

Unless otherwise provided in the certificate of incorporation or these bylaws or permitted in the specific case by resolution of the board of directors, and subject to the rights of holders of Preferred Stock, vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by a majority of the voting power of the directors then in office, although less than a quorum, or by a sole remaining director, and not by stockholders. If the directors are divided into classes, a person so chosen to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall have been duly elected and qualified.

3.5 PLACE OF MEETINGS; MEETINGS BY TELEPHONE

The board of directors may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the board of directors may participate in a meeting of the board of directors by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

3.6 REGULAR MEETINGS

Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by the board of directors.

3.7 SPECIAL MEETINGS; NOTICE

Special meetings of the board of directors for any purpose or purposes may be called at any time by the chairperson of the board of directors, the chief executive officer, the president, the secretary or a majority of the authorized number of directors.

Notice of the time and place of special meetings shall be:

(i) delivered personally by hand, by courier or by telephone;

(ii) sent by United States first-class mail, postage prepaid;

(iii) sent by facsimile;

(iv) sent by electronic mail; or

(v) otherwise given by electronic transmission (as defined in Section 7.2),

directed to each director at that director's address, telephone number, facsimile number, electronic mail address or other contact for notice by electronic transmission, as the case may be, as shown on the corporation's records.

If the notice is (i) delivered personally by hand, by courier or by telephone, (ii) sent by facsimile, (iii) sent by electronic mail or (iv) otherwise given by electronic transmission, it shall be delivered, sent or otherwise directed to each director, as applicable, at least 24 hours before the time of the holding of the meeting. If the notice is sent by United States mail, it shall be deposited in the United States mail at least four days before the time of the holding of the meeting. Any oral notice may be communicated to the director. The notice need not specify the place of the meeting (if the meeting is to be held at the corporation's principal executive office) nor the purpose of the meeting, unless required by statute.

3.8 QUORUM; VOTING

At all meetings of the board of directors, a majority of the total authorized number of directors shall constitute a quorum for the transaction of business. The Casting Vote (as such term is defined in the certificate of incorporation) shall not be taken into account when determining the presence of a quorum. If a quorum is not present at any meeting of the board of directors, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

The affirmative vote of a majority of the voting power of the directors present at any meeting at which a quorum is present shall be the act of the board of directors, except as may be otherwise specifically provided by statute, the certificate of incorporation or these bylaws.

If the certificate of incorporation provides that one or more directors shall have more or less than one vote per director on any matter, except as may otherwise be expressly provided herein or therein, every reference in these bylaws to a majority or other proportion of the directors shall refer to a majority or other proportion of the votes of the directors.

3.9 BOARD ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all members of the board of directors or committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the board of directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. Any person (whether or not then a director) may provide, whether through instruction to an agent or otherwise, that a consent to action will be effective at a future time (including a time determined upon the happening of an event), no later than 60 days after such instruction is given or such provision is made and such consent shall be deemed to have been given for purposes of this Section 3.9 at such effective time so long as such person is then a director and did not revoke the consent prior to such time. Any such consent shall be revocable prior to its becoming effective.

3.10 FEES AND COMPENSATION OF DIRECTORS

Unless otherwise restricted by the certificate of incorporation or these bylaws, the board of directors shall have the authority to fix the compensation of directors.

3.11 REMOVAL OF DIRECTORS

For so long as the directors of the corporation may be divided into classes, any director may be removed from office by the stockholders of the corporation only for cause.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

ARTICLE IV - COMMITTEES

4.1 COMMITTEES OF DIRECTORS

The board of directors may, by resolution passed by a majority of the voting power of the Whole Board, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the board of directors or in these bylaws, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority to (i) approve or adopt, or recommend to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopt, amend or repeal any bylaw of the corporation.

4.2 COMMITTEE MINUTES

Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

4.3 MEETINGS AND ACTION OF COMMITTEES

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of:

(i) Section 3.5 (place of meetings and meetings by telephone);

(ii) Section 3.6 (regular meetings);

(iii) Section 3.7 (special meetings and notice);

(iv) Section 3.8 (quorum; voting);

(v) Section 3.9 (action without a meeting); and

(vi) Section 7.5 (waiver of notice)

with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the board of directors and its members. *However*:

(i) the time of regular meetings of committees may be determined either by resolution of the board of directors or by resolution of the committee;

(ii) special meetings of committees may also be called by resolution of the board of directors;

(iii) notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The board of directors may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws; and

(iv) the Casting Vote shall not apply to voting in any committee or subcommittee.

Any provision in the certificate of incorporation, other than the Casting Vote, providing that one or more directors shall have more or less than one vote per director on any matter shall apply to voting in any committee or subcommittee, unless otherwise provided in the certificate of incorporation or these bylaws.

4.4 SUBCOMMITTEES

Unless otherwise provided in the certificate of incorporation, these bylaws or the resolutions of the board of directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

ARTICLE V - OFFICERS

5.1 OFFICERS

The officers of the corporation shall be a president and a secretary. The corporation may also have, at the discretion of the board of directors, a chairperson of the board of directors, a vice chairperson of the board of directors, a chief executive officer, a chief financial officer or treasurer, one or more vice presidents, one or more assistant vice presidents, one or more assistant treasurers, one or more assistant secretaries, and any such other officers as may be appointed in accordance with the provisions of these bylaws. Any number of offices may be held by the same person.

5.2 APPOINTMENT OF OFFICERS

The board of directors shall appoint the officers of the corporation, except such officers as may be appointed in accordance with the provisions of Sections 5.3 of these bylaws, subject to the rights, if any, of an officer under any contract of employment.

5.3 SUBORDINATE OFFICERS

The board of directors may appoint, or empower the chief executive officer or, in the absence of a chief executive officer, the president, to appoint, such other officers as the business of the corporation may require. Each of such officers shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the board of directors may from time to time determine.

5.4 REMOVAL AND RESIGNATION OF OFFICERS

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by the board of directors or, except in the case of an officer chosen by the board of directors unless as otherwise provided by resolution of the board of directors, by any officer upon whom such power of removal may be conferred by the board of directors.

Any officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

5.5 VACANCIES IN OFFICES

Any vacancy occurring in any office of the corporation shall be filled by the board of directors or as provided in Section 5.3.

5.6 REPRESENTATION OF SECURITIES OF OTHER ENTITIES

The chairperson of the board of directors, the chief executive officer, the president, any vice president, the treasurer, the secretary or assistant secretary of this corporation, or any other person authorized by the board of directors or the chief executive officer, the president or a vice president, is authorized to vote, represent, and exercise on behalf of this corporation all rights incident to any and all shares or other securities of any other entity or entities standing in the name of this corporation, including the right to act by written consent. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

5.7 AUTHORITY AND DUTIES OF OFFICERS

All officers of the corporation shall respectively have such authority and perform such duties in the management of the business of the corporation as may be designated from time to time by the board of directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the board of directors.

ARTICLE VI - STOCK

6.1 STOCK CERTIFICATES; PARTLY PAID SHARES

The shares of the corporation shall be represented by certificates, provided that the board of directors may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Unless otherwise provided by resolution of the board of directors, every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of, the corporation by any two officers of the corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The corporation shall not have power to issue a certificate in bearer form.

The corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly-paid shares, or upon the books and records of the corporation in the case of uncertificated partly-paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully-paid shares, the corporation shall declare a dividend upon partly-paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

6.2 SPECIAL DESIGNATION ON CERTIFICATES

If the corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the corporation shall issue to represent such class or series of stock; *provided*, *however*, that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate that the corporation shall issue to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the registered owner thereof shall be given a notice, in writing or by electronic transmission, containing the information required to be set forth or stated on certificates pursuant to this Section 6.2 or Sections 156, 202(a), 218(a) or 364 of the DGCL or with respect to this Section 6.2 a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

6.3 LOST CERTIFICATES

Except as provided in this Section 6.3, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the corporation and cancelled at the same time. The corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or such owner’s legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

6.4 DIVIDENDS

The board of directors, subject to any restrictions contained in the certificate of incorporation or applicable law, may declare and pay dividends upon the shares of the corporation's capital stock. Dividends may be paid in cash, in property, or in shares of the corporation's capital stock, subject to the provisions of the certificate of incorporation. The board of directors may set apart out of any of the funds of the corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve.

6.5 TRANSFER OF STOCK

Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by an attorney duly authorized, and, if such stock is certificated, upon the surrender of a certificate or certificates for a like number of shares, properly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer.

6.6 STOCK TRANSFER AGREEMENTS

The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

6.7 REGISTERED STOCKHOLDERS

The corporation:

(i) shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner; and

(ii) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII - MANNER OF GIVING NOTICE AND WAIVER

7.1 NOTICE OF STOCKHOLDERS' MEETINGS

Notice of any meeting of stockholders, if mailed, is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the corporation's records. An affidavit of the secretary or an assistant secretary of the corporation or of the transfer agent or other agent of the corporation that the notice has been given shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

7.2 NOTICE BY ELECTRONIC TRANSMISSION

Without limiting the manner by which notice otherwise may be given effectively to stockholders pursuant to the DGCL, the certificate of incorporation or these bylaws, any notice to stockholders given by the corporation under any provision of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the corporation. Any such consent shall be deemed revoked if:

(i) the corporation is unable to deliver by electronic transmission two consecutive notices given by the corporation in accordance with such consent; and

(ii) such inability becomes known to the secretary or an assistant secretary of the corporation or to the transfer agent, or other person responsible for the giving of notice.

However, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

Any notice given pursuant to the preceding paragraph shall be deemed given as provided under Section 232 of the DGCL. An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

An "**electronic transmission**" means any form of communication, not directly involving the physical transmission of paper, including the use of, or participation in, one or more electronic networks or databases (including one or more distributed electronic networks or databases), that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

Notice by a form of electronic transmission shall not apply to Sections 164, 296, 311, 312 or 324 of the DGCL.

7.3 NOTICE TO STOCKHOLDERS SHARING AN ADDRESS

Except as otherwise prohibited under the DGCL, without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the corporation under the provisions of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Any such consent shall be revocable by the stockholder by written notice to the corporation. Any stockholder who fails to object in writing to the corporation, within 60 days of having been given written notice by the corporation of its intention to send the single notice, shall be deemed to have consented to receiving such single written notice. This Section 7.3 shall not apply to Sections 164, 296, 311, 312 or 324 of the DGCL.

7.4 NOTICE TO PERSON WITH WHOM COMMUNICATION IS UNLAWFUL

Whenever notice is required to be given, under the DGCL, the certificate of incorporation or these bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

7.5 WAIVER OF NOTICE

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

ARTICLE VIII - INDEMNIFICATION

8.1 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN THIRD PARTY PROCEEDINGS

Subject to the other provisions of this Article VIII, the corporation shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**") (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director or officer of the corporation, or is or was a director or officer of the corporation serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

8.2 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN ACTIONS BY OR IN THE RIGHT OF THE CORPORATION

Subject to the other provisions of this Article VIII, the corporation shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the corporation, or is or was a director or officer of the corporation serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

8.3 SUCCESSFUL DEFENSE

To the extent that a present or former director or officer of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described in Section 8.1 or Section 8.2, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

8.4 INDEMNIFICATION OF OTHERS

Subject to the other provisions of this Article VIII, the corporation shall have power to indemnify its employees and agents to the extent not prohibited by the DGCL or other applicable law. The board of directors shall have the power to delegate to any person or persons identified in subsections (1) through (4) of Section 145(d) of the DGCL the determination of whether employees or agents shall be indemnified.

8.5 ADVANCE PAYMENT OF EXPENSES

Expenses (including attorneys' fees) actually and reasonably incurred by an officer or director of the corporation in defending any Proceeding shall be paid by the corporation in advance of the final disposition of such Proceeding upon receipt of a written request therefor (together with documentation reasonably evidencing such expenses) and an undertaking by or on behalf of the person to repay such amounts if it shall ultimately be determined that the person is not entitled to be indemnified under this Article VIII or the DGCL. Such expenses (including attorneys' fees) actually and reasonably incurred by former directors and officers or other current or former employees and agents of the corporation or by persons currently or formerly serving at the request of the corporation as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise may be so paid upon such terms and conditions, if any, as the corporation deems appropriate. The right to advancement of expenses shall not apply to any claim for which indemnity is excluded pursuant to these bylaws, but shall apply to any Proceeding referenced in Section 8.6(ii) or 8.6(iii) prior to a determination that the person is not entitled to be indemnified by the corporation.

Notwithstanding the foregoing, unless otherwise determined pursuant to Section 8.8, no advance shall be made by the corporation to an officer of the corporation (except by reason of the fact that such officer is or was a director of the corporation, in which event this paragraph shall not apply) in any Proceeding if a determination is reasonably and promptly made (i) by a vote of a majority of the voting power of the directors who are not parties to such Proceeding, even though less than a quorum, or (ii) by a committee of such directors designated by a vote of the majority of the voting power of such directors, even though less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, that facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation.

8.6 LIMITATION ON INDEMNIFICATION

Subject to the requirements in Section 8.3 and the DGCL, the corporation shall not be obligated to indemnify any person pursuant to this Article VIII in connection with any Proceeding (or any part of any Proceeding):

(i) for which payment has actually been made to or on behalf of such person under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(ii) for an accounting or disgorgement of profits pursuant to Section 16(b) of the 1934 Act, or similar provisions of federal, state or local statutory law or common law, if such person is held liable therefor (including pursuant to any settlement arrangements);

(iii) for any reimbursement of the corporation by such person of any bonus or other incentive-based or equity-based compensation or of any profits realized by such person from the sale of securities of the corporation, as required in each case under the 1934 Act (including any such reimbursements that arise from an accounting restatement of the corporation pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), or the payment to the corporation of profits arising from the purchase and sale by such person of securities in violation of Section 306 of the Sarbanes-Oxley Act), if such person is held liable therefor (including pursuant to any settlement arrangements);

(iv) initiated by such person, including any Proceeding (or any part of any Proceeding) initiated by such person against the corporation or its directors, officers, employees, agents or other indemnitees, unless (a) the board of directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (b) the corporation provides the indemnification, in its sole discretion, pursuant to the powers vested in the corporation under applicable law, (c) otherwise required to be made under Section 8.7 or (d) otherwise required by applicable law; or

(v) if prohibited by applicable law.

8.7 DETERMINATION; CLAIM

If a claim for indemnification or advancement of expenses under this Article VIII is not paid in full within 90 days after receipt by the corporation of the written request therefor, the claimant shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of expenses. The corporation shall indemnify such person against any and all expenses that are actually and reasonably incurred by such person in connection with any action for indemnification or advancement of expenses from the corporation under this Article VIII, to the extent such person is successful in such action, and to the extent not prohibited by law. In any such suit, the corporation shall, to the fullest extent not prohibited by law, have the burden of proving that the claimant is not entitled to the requested indemnification or advancement of expenses.

8.8 NON-EXCLUSIVITY OF RIGHTS

The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the certificate of incorporation or any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advancement of expenses, to the fullest extent not prohibited by the DGCL or other applicable law.

8.9 INSURANCE

The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of the DGCL.

8.10 SURVIVAL

The rights to indemnification and advancement of expenses conferred by this Article VIII shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

8.11 EFFECT OF REPEAL OR MODIFICATION

A right to indemnification or to advancement of expenses arising under a provision of the certificate of incorporation or a bylaw shall not be eliminated or impaired by an amendment to the certificate of incorporation or these bylaws after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

8.12 CERTAIN DEFINITIONS

For purposes of this Article VIII, references to the "**corporation**" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. For purposes of this Article VIII, references to "**other enterprises**" shall include employee benefit plans; references to "**fines**" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "**serving at the request of the corporation**" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "**not opposed to the best interests of the corporation**" as referred to in this Article VIII.

ARTICLE IX - GENERAL MATTERS

9.1 EXECUTION OF CORPORATE CONTRACTS AND INSTRUMENTS

Except as otherwise provided by law, the certificate of incorporation or these bylaws, the board of directors may authorize any officer or officers, or agent or agents, to enter into any contract or execute any document or instrument in the name of and on behalf of the corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the board of directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

9.2 FISCAL YEAR

The fiscal year of the corporation shall be fixed by resolution of the board of directors and may be changed by the board of directors.

9.3 SEAL

The corporation may adopt a corporate seal, which shall be adopted and which may be altered by the board of directors. The corporation may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

9.4 CONSTRUCTION; DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the DGCL shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "**person**" includes both a corporation and a natural person.

ARTICLE X - AMENDMENTS

These bylaws may be adopted, amended or repealed by the stockholders entitled to vote. However, the corporation may, in its certificate of incorporation, confer the power to adopt, amend or repeal bylaws upon the directors. The fact that such power has been so conferred upon the directors shall not divest the stockholders of the power, nor limit their power to adopt, amend or repeal bylaws.

A bylaw amendment adopted by stockholders which specifies the votes that shall be necessary for the election of directors shall not be further amended or repealed by the board of directors.

ZSCALER, INC.

AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

JULY 24, 2015

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ZSCALER, INC.

AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

This Amended and Restated Investors' Rights Agreement (this "**Agreement**") is made as of July 24, 2015, by and among Zscaler, Inc., a Delaware corporation (the "**Company**"), and the persons and entities (each, an "**Investor**" and collectively, the "**Investors**") listed on Exhibit A hereto. Unless otherwise defined herein, capitalized terms used in this Agreement have the meanings ascribed to them in Section 1.

RECITALS

WHEREAS, the Company proposes to sell shares of the Company's Series D Preferred Stock (the "**Series D Shares**") to certain of the Investors pursuant to the Series D Preferred Stock Purchase Agreement (the "**Purchase Agreement**") of even date herewith (the "**Financing**");

WHEREAS, the Company and certain of the Investors are parties to that certain Amended and Restated Investors' Rights Agreement dated as of August 7, 2012 (the "**Prior Agreement**");

WHEREAS, each Investor currently owns or is purchasing pursuant to the Purchase Agreement that number of shares of the Company's securities indicated beside such Investor's name on Exhibit A hereto;

WHEREAS, the Company and certain of the Investors who are parties to the Prior Agreement and who are holders of at least a majority of the Common Stock issued or issuable upon conversion of the outstanding shares of the Company's Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock (the "**Requisite Investors**") desire to amend and restate the Prior Agreement and to accept the rights created pursuant to this Agreement in lieu of the rights granted to them under the Prior Agreement;

WHEREAS, the Prior Agreement may be amended by the Company and the Requisite Investors; and

WHEREAS, it is a condition to the closing of the Financing that the Company and the Investors enter into and be bound by this Agreement.

NOW, THEREFORE: In consideration of the mutual promises and covenants set forth herein, and other consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

Section 1
Definitions

1.1 *Certain Definitions*. As used in this Agreement, the following terms shall have the meanings set forth below:

(a) **"Affiliate**" shall mean, with respect to any person, any other person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such person, including, without limitation, in the case of any venture capital or other private investment fund, any general partner, officer, director or manager of such person and any venture capital fund or other private investment fund now or hereafter existing that is controlled by one or more general partners or managing members of, or is under common investment management with, such person, where "control" means the possession of the power to direct the management and policies of a person whether through the ownership of voting securities, contract or otherwise.

(b) **"Commission"** shall mean the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

(c) **"Common Stock"** means the common stock, $0.001 per value per share, of the Company.

(d) **"Conversion Stock"** shall mean shares of Common Stock issued upon conversion of the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, and the Series D Preferred Stock.

(e) **"Election Period"** shall have the meaning set forth in Section 4.1(b) hereof.

(f) **"Exchange Act"** shall mean the Securities Exchange Act of 1934, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time.

(g) **"Holder"** shall mean any Investor who holds Registerable Securities and any holder of Registerable Securities to whom the registration rights conferred by this Agreement have been duly and validly transferred in accordance with Section 2.12 of this Agreement.

(h) **"Indemnified Party"** shall have the meaning set forth in Section 2.6(c) hereof.

(i) **"Indemnifying Party"** shall have the meaning set forth in Section 2.6(c) hereof.

(j) **"Initial Closing"** shall mean the date of the initial sale of shares of the Company's Series D Preferred Stock pursuant to the Purchase Agreement.

(k) **"Initial Public Offering"** shall mean the closing of the Company's first firm commitment underwritten public offering of the Company's Common Stock registered under the Securities Act.

(l) **"Initiating Holders"** shall mean any Holder or Holders who in the aggregate hold not less than twenty percent (20%) of the outstanding Registerable Securities.

(m) **"Liquidation Event"** shall have the meaning ascribed to it in the Company's certificate of incorporation.

(n) **"New Securities"** shall have the meaning set forth in Section 4.1(a) hereof.

(o) **"Other Selling Stockholders"** shall mean persons other than Holders who, by virtue of agreements with the Company, are entitled to include their Other Shares in certain registrations hereunder.

(p) **"Other Shares"** shall mean shares of Common Stock, other than Registerable Securities (as defined below), (including shares of Common Stock issuable upon conversion of shares of any currently unissued series of Preferred Stock of the Company) with respect to which registration rights have been granted.

(q) **"Purchase Agreement"** shall have the meaning set forth in the Recitals hereto.

(r) **"Qualified Public Offering"** shall mean the closing of a firm commitment underwritten public offering pursuant to an effective registration statement filed under the Securities Act covering the offer and sale of the Corporation's Common Stock to be listed for trading on the NYSE or NASDAQ at a pre-offering valuation of the Corporation equal to or greater than $750,000,000 and raising net proceeds to the Corporation not less than $75,000,000.

(s) **"Registerable Securities"** shall mean (i) shares of Common Stock issued or issuable pursuant to the conversion of the Shares and (ii) any Common Stock issued as a dividend or other distribution with respect to or in exchange for or in replacement of the shares referenced in (i) above; *provided, however*, that Registerable Securities shall not include any shares of Common Stock described in clause (i) or (ii) above which have previously been registered or which have been sold to the public either pursuant to a registration statement or Rule 144, or which have been sold in a private transaction in which the transferor's rights under this Agreement are not validly assigned in accordance with this Agreement.

(t) The terms **"register," "registered"** and **"registration"** shall refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act and applicable rules and regulations thereunder, and the declaration or ordering of the effectiveness of such registration statement.

(u) **"Registration Expenses"** shall mean all expenses incurred in effecting any registration pursuant to this Agreement, including, without limitation, all registration, qualification, and filing fees, printing expenses, escrow fees, fees and disbursements of counsel for the Company and one special counsel for the Holders, blue sky fees and expenses, and expenses of any regular or special audits incident to or required by any such registration, but shall not include Selling Expenses, fees and disbursements of other counsel for the Holders and the compensation of regular employees of the Company, which shall be paid in any event by the Company.

(v) **"Restricted Securities"** shall mean any Registerable Securities required to bear the first legend set forth in Section 2.8(c) hereof.

(w) **"ROFR"** shall have the meaning set forth in Section 4.1 hereof.

(x) **"ROFR Notice"** shall have the meaning set forth in Section 4.1(b) hereof.

(y) **"Rule 144"** shall mean Rule 144 as promulgated by the Commission under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

(z) **"Rule 145"** shall mean Rule 145 as promulgated by the Commission under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission

(aa) **"Securities Act"** shall mean the Securities Act of 1933, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time.

(bb) **"Selling Expenses"** shall mean all underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of Registerable Securities and fees and disbursements of counsel for any Holder (other than the fees and disbursements of one special counsel to the Holders included in Registration Expenses).

(cc) **"Series A Preferred Stock"** shall mean all shares of the Company's Series A Preferred Stock, par value $0.001 per share, outstanding as of the date hereof.

(dd) **"Series B Preferred Stock"** shall mean all shares of the Company's Series B Preferred Stock, par value $0.001 per share, outstanding as of the date hereof.

(ee) **"Series C Preferred Stock"** shall mean all shares of the Company's Series C Preferred Stock, par value $0.001 per share, outstanding as of the date hereof.

(ff) **"Series D Preferred Stock"** shall mean all shares of the Company's Series D Preferred Stock, par value $0.001 per share, issued pursuant to the Purchase Agreement.

(gg) **"Shares"** shall mean shares of the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock.

(hh) **"Significant Holders"** shall have the meaning set forth in Section 3.1(a) hereof.

(ii) **"TPG"** shall have the meaning set forth in Section 4.1(c) hereof.

(jj) **"TPG Over-Allotment Period"** shall have the meaning set forth in Section 4.1(c) hereof.

(kk) **"TPG Over-Allotment Right"** shall have the meaning set forth in Section 4.1(c) hereof.

(ll) **"Unexercised ROFR Shares"** shall have the meaning set forth in Section 4.1(c) hereof.

(mm) **"Withdrawn Registration"** shall mean a forfeited demand registration under Section 2.1 in accordance with the terms and conditions of Section 2.4.

Section 2
Registration Rights

2.1 *Requested Registration.*

(a) Request for Registration. Subject to the conditions set forth in this Section 2.1, if the Company shall receive from Initiating Holders a written request signed by such Initiating Holders that the Company effect any registration with respect to all or a part of the Registerable Securities (such request shall state the number of shares of Registerable Securities to be disposed of by such Initiating Holders), the Company will:

(i) promptly give written notice of the proposed registration to all other Holders; and

(ii) as soon as practicable, file and use its commercially reasonable efforts to effect such registration (including, without limitation, filing post-effective amendments, appropriate qualifications under applicable blue sky or other state securities laws, and appropriate compliance with the Securities Act) and to permit or facilitate the sale and distribution of all or such portion of such Registerable Securities as are specified in such request, together with all or such portion of the Registerable Securities of any Holder or Holders joining in such request as are specified in a written request received by the Company within twenty (20) days after such written notice from the Company is mailed or delivered.

(b) Limitations on Requested Registration. The Company shall not be obligated to effect, or to take any action to effect, any such registration pursuant to this Section 2.1:

(i) Prior to the earlier of (A) the five (5) year anniversary of the date of this Agreement or (B) one hundred and eighty (180) days following the effective date of the first registration statement filed by the Company covering an underwritten offering of any of its securities to the general public (or the subsequent date on which all market stand-off agreements applicable to the offering have terminated);

(ii) If the Initiating Holders, together with the holders of any Other Shares entitled to inclusion in such registration statement, propose to sell Registerable Securities and such Other Shares (if any) the aggregate proceeds of which (after deduction for underwriter's discounts and expenses related to the issuance) are less than $30,000,000;

(iii) In any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification, or compliance, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(iv) After the Company has initiated two (2) such registrations pursuant to this Section 2.1 (counting for these purposes only (x) registrations which have been declared or ordered effective and pursuant to which securities have been sold, and (y) Withdrawn Registrations);

(v) During the period starting with the date sixty (60) days prior to the Company's good faith estimate of the date of filing of, and ending on a date one hundred eighty (180) days after the effective date of, a Company-initiated registration (or ending on the subsequent date on which all market stand-off agreements applicable to the offering have terminated); *provided* that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective;

(vi) If the Initiating Holders propose to dispose of shares of Registerable Securities which may be immediately registered on Form S-3 pursuant to a request made under Section 2.3 hereof;

(vii) If the Initiating Holders do not request that such offering be firmly underwritten by underwriters selected by the Initiating Holders (subject to the consent of the Company); and

(viii) If the Company and the Initiating Holders are unable to obtain the commitment of the underwriter described in clause (b)(vii) above to firmly underwrite the offer.

(c) Deferral. If (i) in the good faith judgment of the Board of Directors of the Company, the filing of a registration statement covering the Registerable Securities would be materially detrimental to the Company and the Board of Directors of the Company concludes, as a result, that it is in the best interests of the Company to defer the filing of such registration statement at such time, and (ii) the Company shall furnish to such Holders a certificate signed by the President of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be materially detrimental to the Company for such registration statement to be filed in the near future and that it is, therefore, in the best interests of the Company to defer the filing of such registration statement, then (in addition to the limitations set forth in Section 2.1(b)(v) above) the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the Initiating Holders, and, *provided further*, that the Company shall not defer its obligation in this manner more than two (2) times in any twelve-month period.

(d) Other Shares. The registration statement filed pursuant to the request of the Initiating Holders may, subject to the provisions of Section 2.1(e), include Other Shares, and may include securities of the Company being sold for the account of the Company.

(e) Underwriting. The right of any Holder to include all or any portion of its Registerable Securities in a registration pursuant to this Section 2.1 shall be conditioned upon such Holder's participation in an underwriting and the inclusion of such Holder's Registerable Securities to the extent provided herein. If the Company shall request inclusion in any registration pursuant to Section 2.1 of securities being sold for its own account, or if other persons shall request inclusion in any registration pursuant to Section 2.1, the Initiating Holders shall, on behalf of all Holders, offer to include such securities in the underwriting and such offer shall be conditioned upon the participation of the Company or such other persons in such underwriting and the inclusion of the Company's and such person's other securities of the Company and their acceptance of the further applicable provisions of this Section 2 (including Section 2.10). The Company shall (together with all Holders and other persons proposing to distribute their securities through such underwriting) enter into an underwriting agreement in customary form with the representative(s) of the underwriter or underwriters selected for such underwriting by the Company, which underwriters are reasonably acceptable to a majority-in-interest of the Initiating Holders.

Notwithstanding any other provision of this Section 2.1, if the underwriters advise the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, the number of Registerable Securities and Other Shares that may be so included shall be allocated as follows: (i) first, among all Holders requesting to include Registerable Securities in such registration statement based on the pro rata percentage of Registerable Securities held by such Holders, assuming conversion; and (ii) second, to the Company, which the Company may allocate, at its discretion, for its own account, or for the account of other holders or employees of the Company.

If a person who has requested inclusion in such registration as provided above does not agree to the terms of any such underwriting, such person shall be excluded therefrom by written notice from the Company, the underwriter or the Initiating Holders. The securities so excluded shall also be withdrawn from registration. Any Registerable Securities or other securities excluded or withdrawn from such underwriting shall also be withdrawn from such registration. If shares are so withdrawn from the registration and if the number of shares to be included in such registration was previously reduced as a result of marketing factors pursuant to this Section 2.1(e), then the Company shall then offer to all Holders and Other Selling Stockholders who have retained rights to include securities in the registration the right to include additional Registerable Securities or Other Shares in the registration in an aggregate amount equal to the number of shares so withdrawn, with such shares to be allocated among such Holders and Other Selling Stockholders requesting additional inclusion, as set forth above.

2.2 *Company Registration*.

(a) Company Registration. If the Company shall determine to register any of its securities either for its own account or the account of a security holder or holders, other than a registration pursuant to Sections 2.1 or 2.3, a registration relating solely to employee benefit plans, a registration relating to the offer and sale of debt securities, a registration relating to a corporate reorganization or other Rule 145 transaction, or a registration on any registration form that does not permit secondary sales, the Company will:

(i) promptly give written notice of the proposed registration to all Holders; and

(ii) use its commercially reasonable efforts to include in such registration (and any related qualification under blue sky laws or other compliance), except as set forth in Section 2.2(b) below, and in any underwriting involved therein, all of such Registerable Securities as are specified in a written request or requests made by any Holder or Holders received by the Company within fifteen (15) days after such written notice from the Company is mailed or delivered. Such written request may specify all or a part of a Holder's Registerable Securities.

(b) Underwriting. If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise the Holders as a part of the written notice given pursuant to Section 2.2(a)(i). In such event, the right of any Holder to registration pursuant to this Section 2.2 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registerable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company and the Other Selling Stockholders distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the representative(s) of the underwriter or underwriters selected by the Company.

(A) Notwithstanding any other provision of this Section 2.2, if the underwriters advise the Company in writing that marketing factors require a limitation on the number of shares to be underwritten, the underwriters may (subject to the limitations set forth below) limit the number of Registerable Securities to be included in the registration and underwriting. The Company shall so advise all holders of securities requesting registration, and the number of shares of securities that are entitled to be included in the registration and underwriting shall be allocated, as follows: (i) first, to the Company for securities being sold for its own account, and (ii) second, to the Holders requesting to include Registerable Securities in such registration statement based on the pro rata percentage of Registerable Securities held by such Holders, assuming conversion. Notwithstanding the foregoing, no such reduction shall reduce the value of the Registerable Securities of the Holders included in such registration below twenty five percent (25%) of the total value of securities included in such registration, unless such offering is the Company's Initial Public Offering and such registration does not include shares of any other selling stockholders (excluding shares registered for the account of the Company), in which event any or all of the Registerable Securities of the Holders may be excluded.

If a person who has requested inclusion in such registration as provided above does not agree to the terms of any such underwriting, such person shall also be excluded therefrom by written notice from the Company or the underwriter. The Registerable Securities or other securities so excluded shall also be withdrawn from such registration. Any Registerable Securities or other securities excluded or withdrawn from such underwriting shall be withdrawn from such registration.

(c) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.2 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration.

2.3 *Registration on Form S-3.*

(a) Request for Form S-3 Registration. After its Initial Public Offering, the Company shall use its commercially reasonable efforts to qualify for registration on Form S-3 or any comparable or successor form or forms. After the Company has qualified for the use of Form S-3, in addition to the rights contained in the foregoing provisions of this Section 2 and subject to the conditions set forth in this Section 2.3, if the Company shall receive from a Holder or Holders of Registerable Securities a written request that the Company effect any registration on Form S-3 or any similar short form registration statement with respect to all or part of the Registerable Securities (such request shall state the number of shares of Registerable Securities to be disposed of and the intended methods of disposition of such shares by such Holder or Holders), the Company will take all such action with respect to such Registerable Securities as required by Sections 2.1(a)(i) and (ii).

(b) Limitations on Form S-3 Registration. The Company shall not be obligated to effect, or take any action to effect, any such registration pursuant to this Section 2.3:

(i) In the circumstances described in either Sections 2.1(b)(iii) or 2.1(b)(v);

(ii) If the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registerable Securities and such other securities (if any) on Form S-3 at an aggregate price to the public of less than $3,000,000; or

(iii) If, in a given twelve-month period, the Company has effected two (2) such registrations in such period.

(c) Deferral. The provisions of Section 2.1(c) shall apply to any registration pursuant to this Section 2.3.

(d) Underwriting. If the Holders of Registerable Securities requesting registration under this Section 2.3 intend to distribute the Registerable Securities covered by their request by means of an underwriting, the provisions of Section 2.1(e) shall apply to such registration. Notwithstanding anything contained herein to the contrary, registrations effected pursuant to this Section 2.3 shall not be counted as requests for registration or registrations effected pursuant to Section 2.1.

2.4 *Expenses of Registration*. All Registration Expenses incurred in connection with registrations pursuant to Sections 2.1, 2.2 and 2.3 hereof shall be borne by the Company; *provided*, *however*, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Sections 2.1 and 2.3 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registerable Securities to be registered or because a sufficient number of Holders shall have withdrawn so that the minimum offering conditions set forth in Sections 2.1 and 2.3 are no longer satisfied (in which case all participating Holders shall bear such expenses pro rata among each other based on the number of Registerable Securities requested to be so registered), unless the Holders of a majority of the Registerable Securities agree to forfeit their right to a demand registration pursuant to Section 2.1; *provided*, *however*, in the event that a withdrawal by the Holders is based upon material adverse information relating to the

Company that is different from the information known or available (upon request from the Company or otherwise) to the Holders requesting registration at the time of their request for registration under Section 2.1, such registration shall not be treated as a counted registration for purposes of Section 2.1 hereof, even though the Holders do not bear the Registration Expenses for such registration. All Selling Expenses relating to securities registered on behalf of the Holders shall be borne by the holders of securities included in such registration pro rata among each other on the basis of the number of Registerable Securities so registered.

2.5 *Registration Procedures*. In the case of each registration effected by the Company pursuant to Section 2, the Company will keep each Holder advised in writing as to the initiation of each registration and as to the completion thereof. At its expense, the Company will use its commercially reasonable efforts to:

(a) Keep such registration effective for a period of ending on the earlier of the date which is sixty (60) days from the effective date of the registration statement or such time as the Holder or Holders have completed the distribution described in the registration statement relating thereto;

(b) To the extent the Company is a well-known seasoned issuer (as defined in Rule 405 under the Securities Act) (a **"WKSI"**) at the time any request for registration is submitted to the Company in accordance with Section 2.3, (i) if so requested, file an automatic shelf registration statement (as defined in Rule 405 under the Securities Act) (an **"automatic shelf registration statement"**) to effect such registration, and (ii) remain a WKSI (and not become an ineligible issuer (as defined in Rule 405 under the Securities Act)) during the period during which such automatic shelf registration statement is required to remain effective in accordance with this Agreement;

(c) Prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement for the period set forth in subsection (a) above;

(d) Furnish such number of prospectuses, including any preliminary prospectuses, and other documents incident thereto, including any amendment of or supplement to the prospectus, as a Holder from time to time may reasonably request;

(e) Use its reasonable best efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdiction as shall be reasonably requested by the Holders; *provided*, that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions;

(f) Notify each seller of Registerable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in light of the circumstances then existing, and following such notification promptly prepare and furnish to such seller a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such shares, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in light of the circumstances then existing;

(g) If at any time when the Company is required to re-evaluate its WKSI status for purposes of an automatic shelf registration statement used to effect a request for registration in accordance with Section 2.3 (i) the Company determines that it is not a WKSI, (ii) the registration statement is required to be kept effective in accordance with this Agreement, and (iii) the registration rights of the applicable Holders have not terminated, promptly amend the registration statement onto a form the Company is then eligible to use or file a new registration statement on such form, and keep such registration statement effective in accordance with the requirements otherwise applicable under this Agreement;

(h) If (i) a registration made pursuant to a shelf registration statement is required to be kept effective in accordance with this Agreement after the third anniversary of the initial effective date of the shelf registration statement and (ii) the registration rights of the applicable Holders have not terminated, file a new registration statement with respect to any unsold Registerable Securities subject to the original request for registration prior to the end of the three (3) year period after the initial effective date of the shelf registration statement, and keep such registration statement effective in accordance with the requirements otherwise applicable under this Agreement;

(i) Use its commercially reasonable efforts to furnish, on the date that such Registerable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, (i) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and reasonably satisfactory to a majority in interest of the Holders requesting registration of Registerable Securities and (ii) a “comfort” letter dated as of such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters;

(j) Provide a transfer agent and registrar for all Registerable Securities registered pursuant to such registration statement and a CUSIP number for all such Registerable Securities, in each case not later than the effective date of such registration;

(k) Otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve (12) months, but not more than eighteen (18) months, beginning with the first month after the effective date of the Registration Statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act;

(l) Cause all such Registerable Securities registered hereunder to be listed on each securities exchange on which similar securities issued by the Company are then listed; and

(m) In connection with any underwritten offering pursuant to a registration statement filed pursuant to Section 2.1 hereof, enter into an underwriting agreement in form reasonably necessary to effect the offer and sale of Common Stock, *provided* such underwriting agreement contains reasonable and customary provisions, and *provided further*, that each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

2.6 *Indemnification*.

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, each of its officers, directors and partners, legal counsel and accountants, Affiliates, and each person controlling such Holder within the meaning of Section 15 of the Securities Act, with respect to which registration, qualification or compliance has been effected pursuant to this Section 2, and each underwriter, if any, and each person who controls within the meaning of Section 15 of the Securities Act any underwriter, against all expenses, claims, losses, damages and liabilities (or actions, proceedings or settlements in respect thereof) arising out of or based on: (i) any untrue statement (or alleged untrue statement) of a material fact contained or incorporated by reference in any prospectus, offering circular or other document (including any related registration statement, notification or the like) incident to any such registration, qualification or compliance, including any registration statement, any prospectus included in the registration statement, any issuer free writing prospectus (as defined in Rule 433 of the Securities Act), any issuer information (as defined in Rule 433 of the Securities Act) filed or required to be filed pursuant to Rule 433(d) under the Securities Act or any other document incident to any such registration, qualification or compliance prepared by or on behalf of the Company or used or referred to by the Company, (ii) any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (iii) any violation (or alleged violation) by the Company of the Securities Act, any state securities laws or any rule or regulation thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any offering covered by such registration, qualification or compliance, and the Company will reimburse each such Holder, each of its officers, directors, partners, legal counsel and accountants, Affiliates, and each person controlling such Holder, each such underwriter and each person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating and defending or settling any such claim, loss, damage, liability or action; *provided* that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability, or action arises directly out of or is based directly on any untrue statement or omission provided in written information furnished to the Company by such Holder, any of such Holder's officers, directors, partners, legal counsel or accountants, any person controlling such Holder, such underwriter or any person who controls any such underwriter, and stated to be specifically for use therein; and *provided*, *further* that, the indemnity agreement contained in this Section 2.6(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld, conditioned or delayed).

(b) To the extent permitted by law, each Holder will, if Registerable Securities held by such Holder are included in the securities as to which such registration, qualification or compliance is being effected, indemnify and hold harmless the Company, each of its directors, officers, partners, legal counsel and accountants and each underwriter, if any, of the Company's securities covered by such a registration statement, each person who controls the Company or such underwriter within the meaning of Section 15 of the Securities Act, each other such Holder, and each of their officers, directors and partners, Affiliates and each person controlling each other such Holder, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on: (i) any untrue statement (or alleged untrue statement) of a material fact contained or incorporated by reference in any prospectus, offering circular or other document (including any related registration statement, notification, or the like) incident to any such registration, qualification or compliance, or (ii) any omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Company and such Holders, directors, officers, partners, Affiliates, legal counsel and accountants, persons, underwriters, Affiliates, or control persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent,

that such untrue statement or omission is made in such registration statement, prospectus, offering circular or other document in reliance upon and in conformity with written information furnished to the Company by such Holder and stated to be specifically for use therein; *provided*, *however*, that the obligations of such Holder hereunder shall not apply to amounts paid in settlement of any such claims, losses, damages or liabilities or actions in respect thereof if such settlement is effected without the consent of such Holder which consent shall not be unreasonably withheld; and *provided* that in no event shall any indemnity under this Section 2.6 exceed the gross proceeds from the offering received by such Holder, except in the case of fraud or willful misconduct by such Holder.

(c) Each party entitled to indemnification under this Section 2.6 (the "**Indemnified Party**") shall give notice to the party required to provide indemnification (the "**Indemnifying Party**") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of such claim or any litigation resulting therefrom; *provided* that counsel for the Indemnifying Party, who shall conduct the defense of such claim or any litigation resulting therefrom, shall be approved by the Indemnified Party (whose approval shall not be unreasonably withheld), and the Indemnified Party may participate in such defense at such party's expense; and *provided further* that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 2.6, to the extent such failure is not prejudicial. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation. Each Indemnified Party shall furnish such information regarding itself or the claim in question as an Indemnifying Party may reasonably request in writing and as shall be reasonably required in connection with defense of such claim and litigation resulting therefrom.

(d) If the indemnification provided for in this Section 2.6 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any loss, liability, claim, damage, or expense referred to herein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party hereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and of the Indemnified Party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage, or expense as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission. No person or entity will be required under this Section 2.6(d) to contribute any amount in excess of the gross proceeds from the offering received by such person or entity, except in the case of fraud or willful misconduct by such person or entity. No person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

2.7 *Information by Holder*. Each Holder of Registerable Securities shall furnish to the Company such information regarding such Holder and the distribution proposed by such Holder as the Company may reasonably request in writing and as shall be reasonably required in connection with any registration, qualification, or compliance referred to in this Section 2.

2.8 *Restrictions on Transfer*.

(a) The holder of each certificate representing Registerable Securities by acceptance thereof agrees to comply in all respects with the provisions of this Section 2.8. Each Holder agrees not to make any sale, assignment, transfer, pledge or other disposition of all or any portion of Restricted Securities, or any beneficial interest therein, unless and until (x) the transferee thereof has agreed in writing for the benefit of the Company to take and hold such Restricted Securities subject to, and to be bound by, the terms and conditions set forth in this Agreement, including, without limitation, this Section 2.8 and Section 2.10, except for transfers permitted under Section 2.8(b), and (y):

(i) There is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement; or

(ii) Such Holder shall have given prior written notice to the Company of such Holder's intention to make such disposition and shall have furnished the Company with a detailed description of the manner and circumstances of the proposed disposition, and, if requested by the Company, such Holder shall have furnished the Company, at its expense, with (i) an opinion of counsel, reasonably satisfactory to the Company, to the effect that such disposition will not require registration of such Restricted Securities under the Securities Act or (ii) a "no action" letter from the Commission to the effect that the transfer of such securities without registration will not result in a recommendation by the staff of the Commission that action be taken with respect thereto, whereupon the holder of such Restricted Securities shall be entitled to transfer such Restricted Securities in accordance with the terms of the notice delivered by the Holder to the Company.

(b) Permitted transfers include (i) a transfer not involving a change in beneficial ownership; (ii) transactions involving the distribution without consideration of Restricted Securities by any Holder to (x) a parent, subsidiary or other Affiliate of a Holder that is a corporation, partnership or other entity (y) any of its partners, members or other equity owners, or retired partners, retired members or other equity owners, or to the estate of any of its partners, members or other equity owners or retired partners, retired members or other equity owners, or (z) a venture capital fund or other private investment fund that is controlled by or under common control with one or more general partners or managing members of, or shares the same management company with, such Holder; or (iii) transfers in compliance with Rule 144(b), as long as the Company is furnished with satisfactory evidence of compliance with such Rule; *provided*, in each case, that the Holder thereof shall give written notice to the Company of such Holder's intention to effect such disposition and shall have furnished the Company with a detailed description of the manner and circumstances of the proposed disposition.

(c) Each certificate representing Registerable Securities shall (unless otherwise permitted by the provisions of this Agreement) be stamped or otherwise imprinted with a legend substantially similar to the following (in addition to any legend required under applicable state securities laws):

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR

UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO REGISTRATION OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO (1) RESTRICTIONS ON TRANSFERABILITY AND RESALE, INCLUDING A LOCK-UP PERIOD IN THE EVENT OF A PUBLIC OFFERING, AS SET FORTH IN AN INVESTORS' RIGHTS AGREEMENT, AND (2) VOTING RESTRICTIONS AS SET FORTH IN A VOTING AGREEMENT AMONG THE COMPANY AND THE ORIGINAL HOLDERS OF THESE SHARES, COPIES OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE COMPANY.

The Holders consent to the Company making a notation on its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer established in this Section 2.8.

(d) The first legend referring to federal and state securities laws identified in Section 2.8(c) hereof stamped on a certificate evidencing the Restricted Securities and the stock transfer instructions and record notations with respect to such Restricted Securities shall be removed and the Company shall issue a certificate without such legend to the holder of such Restricted Securities if (i) such securities are registered under the Securities Act, (ii) such holder provides the Company with an opinion of counsel reasonably acceptable to the Company to the effect that a public sale or transfer of such securities may be made without registration under the Securities Act, or (iii) such holder provides the Company with reasonable assurances, which shall, at the option of the Company, include an opinion of counsel satisfactory to the Company, that such securities can be sold pursuant to Section (b) of Rule 144 under the Securities Act.

(e) Each Investor agrees not to make any sale, assignment, transfer, pledge or other disposition of any securities of the Company, or any beneficial interest therein, to any person other than the Company unless and until the proposed transferee confirms to the reasonable satisfaction of the Company that neither the proposed transferee nor any of its directors, executive officers, other officers that may serve as a director or officer of any company in which it invests, general partners or managing members nor any person that would be deemed a beneficial owner of those securities (in accordance with Rule 506(d) of the Securities Act) is subject to any Bad Actor Disqualification, except as set forth in Rule 506(d)(2)(ii) or (iii) or (d)(3) under the Securities Act and disclosed, reasonably in advance of the transfer, in writing in reasonable detail to the Company.

2.9 *Rule 144 Reporting*. With a view to making available the benefits of certain rules and regulations of the Commission that may permit the sale of the Restricted Securities to the public without registration, the Company agrees to use its commercially reasonable efforts to:

(a) Make and keep public information regarding the Company available as those terms are understood and defined in Rule 144 under the Securities Act, at all times from and after ninety (90) days following the effective date of the first registration under the Securities Act filed by the Company for an offering of its securities to the general public;

(b) File with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act at any time after it has become subject to such reporting requirements; and

(c) So long as a Holder owns any Restricted Securities, furnish to the Holder forthwith upon written request a written statement by the Company as to its compliance with the reporting requirements of Rule 144 (at any time from and after ninety (90) days following the effective date of the first registration statement filed by the Company for an offering of its securities to the general public), and of the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed as a Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing a Holder to sell any such securities without registration.

2.10 *Market Stand-Off Agreement*. Each Holder shall not sell or otherwise transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, of any Common Stock (or other securities) of the Company held by such Holder (other than those included in the registration) during the one hundred and eighty (180) day period following the effective date of the registration statement for the Company's Initial Public Offering filed under the Securities Act (or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto), *provided* that all officers and directors of the Company and all holders of at least one percent (1%) of the Company's voting securities are bound by and have entered into similar agreements. The obligations described in this Section 2.10 shall not apply to a registration relating solely to employee benefit plans on Form S-l or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions and may stamp each such certificate with the second legend set forth in Section 2.8(c) hereof with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of such one hundred and eighty (180) day (or other) period. Each Holder agrees to execute a market standoff agreement with said underwriters in customary form consistent with the provisions of this Section 2.10.

2.11 *Delay of Registration*. No Holder shall have any right to take any action to restrain, enjoin, or otherwise delay any registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.12 *Transfer or Assignment of Registration Rights*. The rights to cause the Company to register securities granted to a Holder by the Company under this Section 2 may be transferred or assigned by a Holder to any transferee or assignee of Registerable Securities; *provided* that (i) such transfer or assignment of Registerable Securities is effected in accordance with the terms of Section 2.8 hereof, the Right of First Refusal and Co-Sale Agreement, and applicable securities laws, (ii) the Company is given written notice prior to said transfer or assignment, stating the name and address of the transferee or assignee and identifying the securities with respect to which such registration rights are intended to be transferred or assigned and (iii) the

transferee or assignee of such rights assumes in writing the obligations of such Holder under this Agreement, including without limitation the obligations set forth in Section 2.10; *provided further* that the right to request a registration pursuant to Section 2.1 may not be transferred unless the transferee or assignee holds at least 500,000 shares of Registerable Securities (as presently constituted and subject to subsequent adjustments for stock splits, stock dividends, reverse stock splits, and the like).

2.13 *Limitations on Subsequent Registration Rights*. From and after the date of this Agreement, the Company shall not, without the prior written consent of Holders holding a majority of the Registerable Securities, enter into any agreement with any holder or prospective holder of any securities of the Company giving such holder or prospective holder any registration rights the terms of which are senior to the registration rights granted to the Holders hereunder.

2.14 *Termination of Registration Rights*. The right of any Holder to request registration or inclusion in any registration pursuant to Sections 2.1, 2.2 or 2.3 shall terminate on the earlier of (i) such date, on or after the closing of the Company's first registered public offering of Common Stock, on which all shares of Registerable Securities held or entitled to be held upon conversion by such Holder may immediately be sold under Rule 144 during any ninety (90) day period and (ii) five (5) years after the closing of the Company's Initial Public Offering.

Section 3
Information Covenants of the Company

The Company hereby covenants and agrees, as follows:

3.1 *Basic Financial Information and Inspection Rights.*

(a) Basic Financial Information. The Company will furnish the following reports to each Holder who owns at least 5,000,000 Shares and/or shares of Conversion Stock (as presently constituted and subject to subsequent adjustments for stock splits, stock dividends, reverse stock splits, and the like) (each such Holder, a "**Significant Holder**"):

(i) As soon as practicable after the end of each fiscal year of the Company, and in any event within one hundred eighty (180) days after the end of each fiscal year of the Company, an audited consolidated balance sheet of the Company and its subsidiaries, if any, as at the end of such fiscal year, and audited consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such year, prepared in accordance with U.S. generally accepted accounting principles consistently applied, certified by independent public accountants of recognized national standing selected by the Company;

(ii) As soon as practicable after the end of the first, second and third quarterly accounting periods in each fiscal year of the Company following the date of this Agreement, and in any event within forty-five (45) days after the end of the first, second, and third quarterly accounting periods in each fiscal year of the Company, an unaudited consolidated balance sheet of the Company and its subsidiaries, if any, as of the end of each such quarterly period, and unaudited consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such period, prepared in accordance with U.S. generally accepted accounting principles consistently applied, subject to changes resulting from normal year-end audit adjustments;

(iii) As soon as practicable after the end of each month following the date of this Agreement, and in any event within thirty (30) days after the end of each month, an unaudited consolidated balance sheet of the Company and its subsidiaries, if any, as of the end of such monthly period, and unaudited consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such period, prepared in accordance with U.S. generally accepted accounting principles consistently applied, subject to changes resulting from normal year-end audit adjustments;

(iv) An operating plan prior to the beginning of each fiscal year following the date of this Agreement; and

(v) Copies of all other reports and information that are delivered to all other stockholders of the Company.

3.2 *Inspection Rights*. The Company will afford to each Significant Holder and to such Significant Holder's accountants and counsel, reasonable access during normal business hours to all of the Company's respective properties, books and records. Each such Significant Holder shall have such other access to management and information as is necessary for it to comply with applicable laws and regulations and reporting obligations. Pursuant to any requests under this Section 3.2, the Company shall not be required to disclose details of contracts with or work performed for specific customers and other business partners where to do so would violate confidentiality obligations to those parties. Significant Holders may exercise their rights under this Section 3.2 only for purposes reasonably related to their interests under the Agreements (as defined in the Purchase Agreement). The rights granted pursuant to this Section 3.2 may not be assigned or otherwise conveyed by the Holders or by any subsequent transferee of any such rights without the prior written consent of the Company except to an Affiliate or as authorized in this Section 3.2.

3.3 *Confidentiality*. Anything in this Agreement to the contrary notwithstanding, no Holder by reason of this Agreement shall have access to any trade secrets or similar confidential information of the Company. The Company shall not be required to comply with any information rights of Section 3 in respect of any Holder whom the Company reasonably determines to be a competitor or an officer, employee, director or holder of more than ten percent (10%) of a competitor. Each Holder acknowledges that the information received by them pursuant to this Agreement may be confidential and for its use only, and it will not use such confidential information or reproduce, disclose or disseminate such information to any other person (other than its employees, Affiliates or agents having a need to know the contents of such information, and its attorneys), except in connection with the exercise of rights under this Agreement, unless the Company has made such information available to the public generally or such Holder is required to disclose such information by a governmental authority.

3.4 *FCPA*. The Company represents that it shall not (and shall not permit any of its subsidiaries or Affiliates or any of its or their respective directors, officers, managers, employees, representatives or agents to) promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to any third party, including any foreign official (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "**FCPA**")), in each case, in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further represents that it shall (and shall cause each of its subsidiaries and affiliates to) cease all of its or their respective activities, as well as remediate any actions taken by the Company, its subsidiaries or affiliates, or any of their respective directors, officers, managers, employees, representatives or agents in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further represents that it shall (and shall cause each of its subsidiaries and Affiliates to) maintain systems of internal controls (including, but

not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. Upon request, the Company agrees to provide responsive information and/or certifications concerning its compliance with applicable anti-corruption laws. The Company shall promptly notify each Investor if the Company becomes aware of any allegation or investigation made or initiated by any government, voluntary disclosure, prosecution or other enforcement action related to the FCPA or any other anti-corruption law. The Company shall require any direct or indirect subsidiary or entity controlled by it, whether now in existence or formed in the future, to comply with the FCPA.

3.5 *Termination of Covenants*. The covenants set forth in this Section 3 shall terminate and be of no further force and effect upon a Qualified Public Offering or a Liquidation Event.

Section 4
Right of First Refusal

4.1 *Right of First Refusal to Significant Holders*. The Company hereby grants to each Significant Holder, the right of first refusal to purchase its pro rata share of New Securities (as defined Section 4.1(a)) which the Company may, from time to time, propose to sell and issue after the date of this Agreement ("**ROFR**"). A Significant Holder's pro rata share for purposes of this right of first refusal is equal to the ratio of (a) the number of shares of Common Stock owned by such Significant Holder immediately prior to the issuance of New Securities (assuming full conversion of the Shares and exercise of all outstanding convertible securities, rights, options and warrants, directly or indirectly, into Common Stock held by said Significant Holder) to (b) the total number of shares of Common Stock outstanding immediately prior to the issuance of New Securities (assuming full conversion of the Shares and exercise of all outstanding convertible securities, rights, options and warrants, directly or indirectly). This right of first refusal shall be subject to the following provisions:

(a) "**New Securities**" shall mean any capital stock (including Common Stock and/or Preferred Stock) of the Company whether now authorized or not, and rights, convertible securities, options or warrants to purchase such capital stock, and securities of any type whatsoever that are, or may become, exercisable or convertible into capital stock; *provided* that the term "**New Securities**" does not include:

(i) the Shares and the Conversion Stock;

(ii) the Excluded Issuances (as defined in the Company's Certificate of Incorporation as in effect on the date of this Agreement); and

(iii) any right, option or warrant to acquire any security convertible into the Excluded Issuances.

(b) If the Company proposes to undertake an issuance of New Securities, it shall give each Significant Holder written notice (the "**ROFR Notice**") of its intention, describing the type of New Securities, and their price and the general terms upon which the Company proposes to issue the same. Each Significant Holder shall have twenty (20) days after any such ROFR Notice is mailed or delivered (the "**Election Period**") to elect to purchase such Holder's pro rata share of such New Securities for the price and upon the terms specified in the ROFR Notice by giving written notice to the Company, in substantially the form attached hereto as **Schedule 1**, and stating therein the quantity of New Securities to be purchased.

(c) If the New Securities are being issued at a price per share less than the then Conversion Price (as defined in the Company's certificate of incorporation) of the Series D Preferred Stock, and one or more Significant Holders does not exercise its ROFR in full within the Election Period (such unexercised portion of the Significant Holders' ROFR, the "**Unexercised ROFR Shares**"), TPG Zookeeper (A), LP and TPG Zookeeper (B), LP (together, "**TPG**") shall have the right to purchase the Unexercised ROFR Shares (the "**TPG Over-Allotment Right**") for the price and upon the terms specified in the ROFR Notice. Promptly after the expiration of the Election Period, the Company shall notify TPG of the number of Unexercised ROFR Shares. TPG shall have ten (10) days after any such ROFR Notice is mailed or delivered (the "**TPG Over-Allotment Period**") to elect to purchase all or any portion of the Unexercised ROFR Shares for the price and upon the terms specified in the ROFR Notice by giving written notice to the Company, and stating therein the quantity of Unexercised ROFR Shares to be purchased.

(d) If a Significant Holder fails to elect to exercise fully its ROFR within the Election Period and, if applicable, TPG subsequently fails to elect to exercise fully its TPG Over-Allotment Right within the TPG Over-Allotment Period, the Company shall have ninety (90) days thereafter to sell or enter into an agreement (pursuant to which the sale of New Securities covered thereby shall be closed, if at all, within ninety (90) days from the date of said agreement) to sell that portion of the New Securities with respect to which the Significant Holders' ROFR and, if applicable, the TPG Over-allotment Right, was not exercised, at a price and upon terms no more favorable to the purchasers thereof than specified in the ROFR Notice. In the event the Company has not sold such new securities within such ninety (90) day period, the Company shall not thereafter issue or sell any New Securities, without first again offering such securities to the Significant Holders in the manner provided in this Section 4.1.

(e) The right of first refusal granted under this Agreement shall not be applicable to the Company's Initial Public Offering and shall terminate upon a Qualified Public Offering or a Liquidation Event.

(f) A Holder will not have a right of first refusal to purchase a *pro rata* share of New Securities in accordance with this Section 4 and will not be a Significant Holder for purposes of the right of first refusal granted under this Section 4 if, and for so long as, the Holder, any of its directors, executive officers, other officers that may serve as a director or officer of any company in which it invests, general partners or managing members or any person that would be deemed a beneficial owner of the securities of the Company held by the Holder (in accordance with Rule 506(d) of the Securities Act) is subject to any Bad Actor Disqualification, except as set forth in Rule 506(d)(2)(ii) or (iii) or (d)(3) under the Securities Act.

Section 5
Miscellaneous

5.1 *Amendment*. Neither this Agreement nor any term hereof may be amended, terminated, waived or discharged other than by a written instrument referencing this Agreement and signed by (i) the Company and (ii) Holders holding a majority of the Registerable Securities (excluding any of such shares that have been sold to the public or pursuant to Rule 144); *provided, however*, that if such amendment, termination, waiver or discharge would adversely affect the rights, or add to the obligations, of any existing series of Preferred Stock (whether or not any other existing series of Preferred Stock is being treated in a similar manner) or any Holder in a manner differently from other Holders, as the case may be, then such amendment, termination, waiver or discharge shall require the consent of the Holders holding a majority in interest of such series of Preferred Stock or such Holder, as the case may be, *provided however* that an amendment that adds another series of preferred stock with rights and preferences pari passu with the existing Preferred Stock shall not be

considered to adversely affect the rights of the existing Preferred Stock or a particular series of Preferred Stock; and *provided, further*, that Holders purchasing shares of Series D Preferred Stock in a Closing after the Initial Closing (each as defined in the Purchase Agreement) may become parties to this Agreement by executing a counterpart of this Agreement without any amendment of this Agreement pursuant to this paragraph or any consent or approval of any other Holder; *provided, further,* Sections 4, 5.1 and 5.4 may not be amended in a manner that adversely affects EMC Corporation, waived, or terminated without the prior written consent of EMC Corporation; *provided, further,* Sections 3.1, 3.2, 4, 5.1 and 5.4 may not be amended in a manner that adversely affects TPG, waived, or terminated without the prior written consent of TPG; *provided, further*, that any increase in the number of shares set forth in the definition of "Significant Holder" in Section 3.1(a) and any amendment, termination or waiver of Sections 5.3 or 5.11 shall require the consent of EMC Corporation and TPG; and *provided further*, that any amendment of Section 4.1(c) in a manner that adversely affects TPG shall require the consent of TPG. Any amendment, waiver, termination, or discharge effected in accordance with this paragraph shall be binding upon each Holder and each future holder of all such securities of Holder. Each Holder acknowledges that by the operation of this paragraph and subject to the conditions set forth above, the Holders holding a majority of the Registerable Securities (excluding any of such shares that have been sold to the public or pursuant to Rule 144) will have the right and power to diminish or eliminate all rights of such Holder under this Agreement; provided, however, that if this Agreement is terminated in accordance with the provisions hereof, the Company may not enter into another agreement relating to the subject matter of this Agreement containing provisions that would not have been permissible as an amendment or waiver to this Agreement without obtaining the consents that would have been required by this Section 5.1 had that new agreement been an amendment or waiver of this Agreement.

5.2 *Notices*. All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or electronic mail or otherwise delivered by hand or by messenger addressed:

(a) if to an Investor, at the Investor's address, facsimile number or electronic mail address as shown in Exhibit A hereto, as may be updated in accordance with the provisions hereof;

(b) if to any Holder other than an Investor, at such address, facsimile number or electronic mail address as shown in the Company's records, or, until such Holder so furnishes an address, facsimile number or electronic mail address to the Company, then to and at the address, facsimile number or electronic mail address of the last holder of such shares for which the Company has contact information in its records; or

(c) if to the Company, one copy to 110 Baytech Drive, Suite 100, San Jose, CA 95134, Attn: Chief Executive Officer, or at such other address as the Company shall have furnished to the Investors, with a copy to Raj S. Judge, Wilson Sonsini Goodrich & Rosati, 650 Page Mill Road, Palo Alto, CA 94304.

With respect to any notice given by the Company under any provision of the Delaware General Corporation Law or the Company's charter or bylaws, each party hereto agrees that such notice may be given by facsimile or by electronic mail.

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given when delivered if delivered personally, or, if sent by mail, at the earlier of its receipt or seventy-two (72) hours after the same has been deposited in a regularly maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid or, if sent by facsimile, upon confirmation of facsimile transfer or, if sent by electronic mail, upon confirmation of delivery when directed to the electronic mail address set forth on the Schedule of Investors. In the event of any conflict between the Company's books and records and this Agreement or any notice delivered hereunder, the Company's books and records will control absent fraud or error.

5.3 *Governing Law*. This Agreement shall be governed in all respects by the internal laws of Delaware as applied to agreements entered into among Delaware residents to be performed entirely within Delaware, without regard to principles of conflicts of law.

5.4 *Successors and Assigns*. This Agreement, and any and all rights, duties and obligations hereunder, shall not be assigned, transferred, delegated or sublicensed by any Investor without the prior written consent of the Company, *provided, however*, that an Investor may assign the Agreement and/or the rights and obligations hereunder to an Affiliate without such consent. Any attempt by an Investor without such permission to assign, transfer, delegate or sublicense any rights, duties or obligations that arise under this Agreement shall be void. Subject to the foregoing and except as otherwise provided herein, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.

5.5 *Entire Agreement*. This Agreement and the exhibits hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof. No party hereto shall be liable or bound to any other party in any manner with regard to the subjects hereof or thereof by any warranties, representations or covenants except as specifically set forth herein. Upon the effectiveness of this Agreement, the Prior Agreement is hereby amended and restated and shall be of no further force or effect, and shall be superseded and replaced in its entirety by this Agreement.

5.6 *Delays or Omissions*. Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any party to this Agreement upon any breach or default of any other party under this Agreement shall impair any such right, power or remedy of such non-defaulting party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party to this Agreement, shall be cumulative and not alternative.

5.7 *Severability*. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Agreement, and such court will replace such illegal, void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of this Agreement shall be enforceable in accordance with its terms.

5.8 *Titles and Subtitles*. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. All references in this Agreement to sections, paragraphs and exhibits shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits attached hereto.

5.9 *Counterparts*. This Agreement may be executed in any number of counterparts, each of which shall be enforceable against the parties that execute such counterparts, and all of which together shall constitute one instrument.

5.10 *Telecopy Execution and Delivery*. A facsimile, telecopy or other reproduction of this Agreement may be executed by one or more parties hereto and delivered by such party by facsimile or any similar electronic transmission device pursuant to which the signature of or on behalf of such party can be seen. Such execution and delivery shall be considered valid, binding and effective for all purposes. At the request of any party hereto, all parties hereto agree to execute and deliver an original of this Agreement as well as any facsimile, telecopy or other reproduction hereof.

5.11 *Jurisdiction; Venue*. Each of the parties hereto hereby submits and consents irrevocably to the exclusive jurisdiction of the courts of the State of Delaware and the United States District Court for the District of Delaware for the interpretation and enforcement of the provisions of this Agreement. Each of the parties hereto also agrees that the jurisdiction over the person of such parties and the subject matter of such dispute shall be effected by the mailing of process or other papers in connection with any such action in the manner provided for in Section 5.2 or in such other manner as may be lawful, and that service in such manner shall constitute valid and sufficient service of process.

5.12 *Further Assurances*. Each party hereto agrees to execute and deliver, by the proper exercise of its corporate, limited liability company, partnership or other powers, all such other and additional instruments and documents and do all such other acts and things as may be necessary to more fully effectuate this Agreement.

5.13 *Termination Upon Change of Control*. Notwithstanding anything to the contrary herein, this Agreement (excluding any then-existing obligations) shall terminate upon (a) the acquisition of the Company by another entity by means of any transaction or series of related transactions to which the Company is party (including, without limitation, any stock acquisition, reorganization, merger or consolidation but excluding any sale of stock for capital raising purposes) other than a transaction or series of transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction continue to retain (either by such voting securities remaining outstanding or by such voting securities being converted into voting securities of the surviving entity), as a result of shares in the Company held by such holders prior to such transaction, at least fifty percent (50%) of the total voting power represented by the voting securities of the Corporation or such surviving entity outstanding immediately after such transaction or series of transactions; or (b) a sale, lease or other conveyance of all substantially all of the assets of the Company.

5.14 *Conflict*. In the event of any conflict between the terms of this Agreement and the Company's Certificate of Incorporation or its Bylaws, the terms of the Company's Certificate of Incorporation or its Bylaws, as the case may be, will control.

5.15 *Attorneys' Fees*. If any suit or action is instituted to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

5.16 *Aggregation of Stock*. All securities held or acquired by affiliated entities (including affiliated venture capital funds) or persons shall be aggregated together for purposes of determining the availability of any rights under this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Investors' Rights Agreement effective as of the day and year first above written.

COMPANY:

ZSCALER, INC.

/s/ Jay Chaudhry
Jay Chaudhry, Chief Executive Officer

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Investors' Rights Agreement effective as of the day and year first above written.

INVESTOR

TPG ZOOKEEPER (A), LP

By: TPG Growth GenPar III, L.P., its general partner
By: TPG Growth GenPar III Advisors, LLC, its general partner

/s/ Clive Bode
(*Signature*)

Clive Bode
(*Name of signatory, if signing for an entity*)

Vice President
(*Title of signatory, if signing for an entity*)

TPG ZOOKEEPER (B), LP

By: TPG Growth GenPar III, L.P., its general partner
By: TPG Growth GenPar III Advisors, LLC, its general partner

/s/ Clive Bode
(*Signature*)

Clive Bode
(*Name of signatory, if signing for an entity*)

Vice President
(*Title of signatory, if signing for an entity*)

EMC CORPORATION

/s/ June Duchesne
(*Signature*)

June Duchesne
(*Name of signatory, if signing for an entity*)

Senior Vice President and Assistant Deputy General Counsel
(*Title of signatory, if signing for an entity*)

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Investors' Rights Agreement effective as of the day and year first above written.

INVESTOR

LIGHTSPEED VENTURE PARTNERS IX, L.P.

By: Lightspeed General Partner IX, L.P., its general partner

By: Lightspeed Ultimate General Partner IX, Ltd., its general partner

Name: /s/ Ravi Mhatre
Title: Duly authorized signatory

Address: Lightspeed Venture Partners
2200 Sand Hill Road
Menlo Park, CA 94025
T: 650-234-8300
F: 650-234-8333

CHAUDHRY ENTERPRISES LLLP

/s/ Jay Chaudhry
Jay Chaudhry, Managing Member

1998 JAY & JYOTI CHAUDHRY (ARTICLE II GST) TRUST

/s/ Surjit Kaur
Surjit Kaur, Trustee

LANE M. BESS AND LETICIA L. BESS AS CO-TRUSTEES OF THE LANE M. BESS AND LETICIA L. BESS FAMILY TRUST UAD 8/18/06

/s/ Lane M. Bess

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Investors' Rights Agreement effective as of the day and year first above written.

INVESTOR:

KAILASH KAILASH

/s/ Komala Kailash

KARTHIK KAILASH IRR TRUST

/s/ Komala Kailash
Komala Kailash, Trustee

KRITIKA KAILASH IRR TRUST

/s/ Komala Kailash
Komala Kailash, Trustee

EXHIBIT A

INVESTORS

1998 Jay and Jyoti Chaudhry (Article II GST) Trust
Chaudhry Enterprises LLLP

Address for Notice
110 Baytech Drive, Suite 100
San Jose, CA 95134

Kailash Kailash
Karthik Kailash Irr Trust
Kritika Kailash Irr Trust
Ram Bahadur Patel
Ram Dhari Patel
Ram Lochan Patel
Chandra Bahadur Patel
Savitri Devi
Vaidehi BS
Arun Kumar BS
Malini S. Raghavan

Address for Notice
110 Baytech Drive, Suite 100
San Jose, CA 95134

Lane M. Bess and Leticia L. Bess as Trustees of the Lane
and Leticia M. Bess Family Trust UAD 8/6/2

Address for Notice
110 Baytech Drive, Suite 100
San Jose, CA 95134

EMC Corporation and Affiliates

Address for Notice
EMC Corporation
176 South Street
Hopkinton, MA 01748
Fax Number: (508) 249-3806

With a copy to

EMC Corporation
176 South Street
Hopkinton, MA 01748
Assistant General Counsel
Fax Number: (508) 497-6915

Lightspeed Venture Partners IX, L.P.
Address for notice
2200 Sand Hill Road
Menlo Park, CA 94025

TPG Zookeeper (A), LP
301 Commerce Street, Suite 3300
Fort Worth, TX 76102

TPG Zookeeper (B), LP
301 Commerce Street, Suite 3300
Fort Worth, TX 76102

SCHEDULE 1

NOTICE AND WAIVER/ELECTION OF RIGHT OF FIRST REFUSAL

I do hereby waive or exercise, as indicated below, my rights of first refusal under the Amended and Restated Investors' Rights Agreement dated as of July 24, 2015 (the "Agreement"):

1. Waiver of [____] days' notice period in which to exercise right of first refusal: **(please check only one)**

   ( ) **WAIVE** in full, on behalf of all Holders, the [____]-day notice period provided to exercise my right of first refusal granted under the Agreement.

   ( ) **DO NOT WAIVE** the notice period described above.

2. Issuance and Sale of New Securities: **(please check only one)**

   ( ) **WAIVE** in full the right of first refusal granted under the Agreement with respect to the issuance of the New Securities.

   ( ) **ELECT TO PARTICIPATE** in $_____ (*please provide amount*) in New Securities proposed to be issued by Zscaler, Inc., a Delaware corporation, representing LESS than my pro rata portion of the aggregate of $[_____] in New Securities being offered in the financing.

   ( ) **ELECT TO PARTICIPATE** in $_____ in New Securities proposed to be issued by Zscaler, Inc., a Delaware corporation, representing my FULL pro rata portion of the aggregate of $[_____] in New Securities being offered in the financing.

   ( ) **ELECT TO PARTICIPATE** in my full pro rata portion of the aggregate of $[_____] in New Securities being made available in the financing AND, to the extent available, the greater of (x) an additional $_____ (*please provide amount*) or (y) my pro rata portion of any remaining investment amount available in the event other Significant Holders do not exercise their full rights of first refusal with respect to the $[_____] in New Securities being offered in the financing.

Date: _____

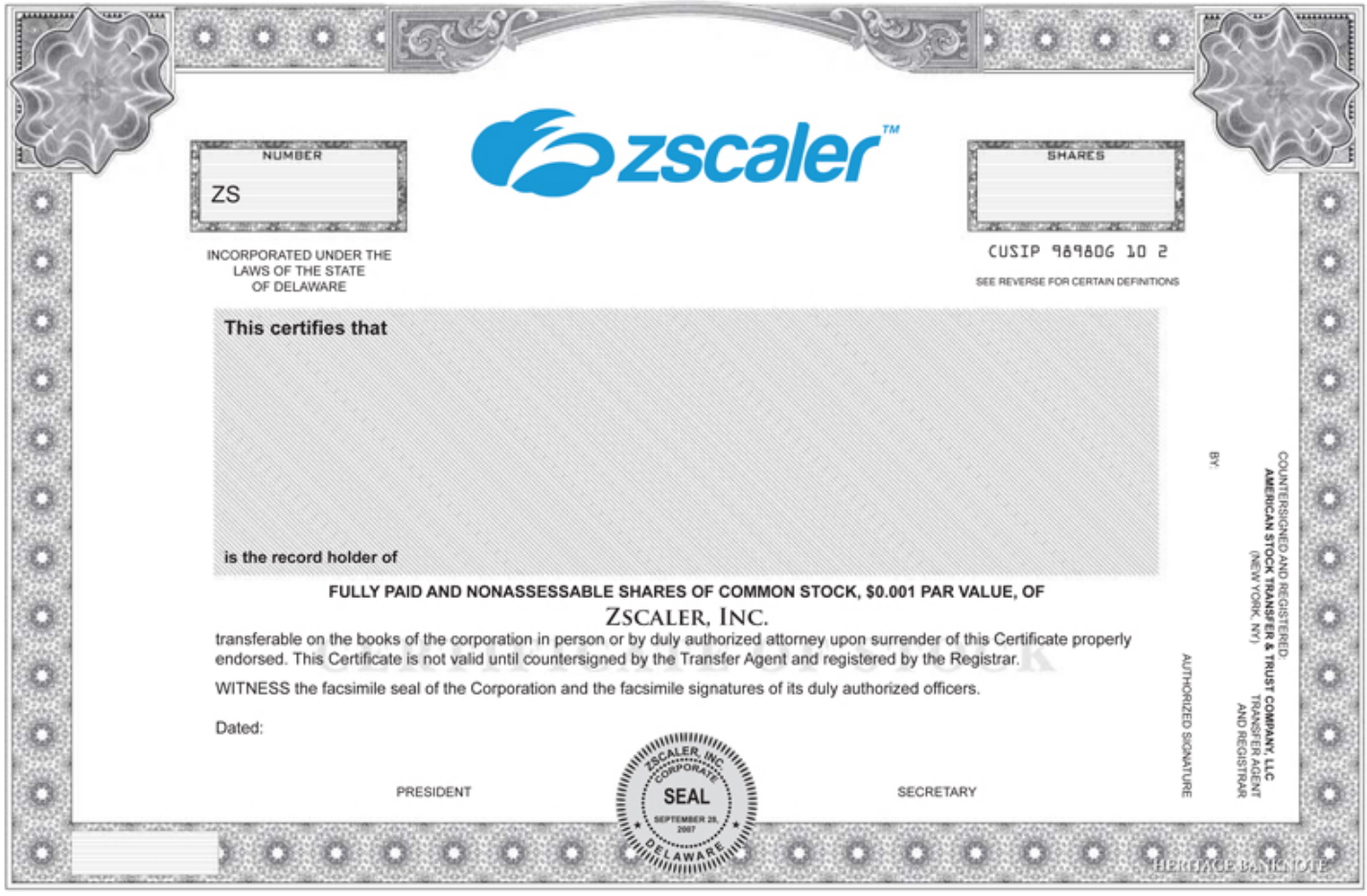
_____
(*Print investor name*)

_____
(*Signature*)

_____
(*Print name of signatory, if signing for an entity*)

_____
(*Print title of signatory, if signing for an entity*)

This is neither a commitment to purchase nor a commitment to issue the New Securities described above. Such issuance can only be made by way of definitive documentation related to such issuance. Zscaler, Inc., will supply you with such definitive documentation upon request or if you indicate that you would like to exercise your first offer rights in whole or in part.



NUMBER

ZS

SHARES

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

CUSIP 98980G 10 2

SEE REVERSE FOR CERTAIN DEFINITIONS

This certifies that

is the record holder of

FULLY PAID AND NONASSESSABLE SHARES OF COMMON STOCK, $0.001 PAR VALUE, OF

ZSCALER, INC.

transferable on the books of the corporation in person or by duly authorized attorney upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated:

PRESIDENT

ZSCALER, INC. CORPORATE SEAL SEPTEMBER 28, 2007 DELAWARE

SECRETARY

BY:

AUTHORIZED SIGNATURE

COUNTERSIGNED AND REGISTERED:
AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC
(NEW YORK, NY)
TRANSFER AGENT AND REGISTRAR

The Corporation shall furnish without charge to each stockholder who so requests a statement of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock of the Corporation or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Such requests shall be made to the Corporation's Secretary at the principal office of the Corporation.

KEEP THIS CERTIFICATE IN A SAFE PLACE. IF IT IS LOST, STOLEN,OR DESTROYED THE CORPORATION WILL REQUIRE A BOND INDEMNITY AS A CONDITION TO THE ISSUANCE OF A REPLACEMENT CERTIFICATE.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	–	as tenants in common
TEN ENT	–	as tenants by the entireties
JT TEN	–	as joint tenants with right of survivorship and not as tenants in common
COM PROP	–	as community property

UNIF GIFT MIN ACT – ..... Custodian .....
(Cust) (Minor)
under Uniform Gifts to Minors Act.....
(State)

UNIF TRF MIN ACT – ..... Custodian (until age .....)
(Cust)
..... under Uniform Transfers
(Minor)
to Minors Act.....
(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, _____ hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

_____ shares of the capital stock represented by within Certificate, and do hereby irrevocably constitute and appoint

_____ attorney-in-fact to transfer the said stock on the books of the within named Corporation with full power of the substitution in the premises.

Dated _____

X _____

X _____

Signature(s) Guaranteed:

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

By _____

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION, (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15. GUARANTEES BY A NOTARY PUBLIC ARE NOT ACCEPTABLE. SIGNATURE GUARANTEES MUST NOT BE DATED.

Exhibit 10.1

ZSCALER, INC.

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "***Agreement***") is dated as of [*insert date*], and is between Zscaler, Inc., a Delaware corporation (the "***Company***"), and [*insert name of indemnitee*] ("***Indemnitee***").

RECITALS

A. Indemnitee's service to the Company substantially benefits the Company.

B. Individuals are reluctant to serve as directors or officers of corporations or in certain other capacities unless they are provided with adequate protection through insurance or indemnification against the risks of claims and actions against them arising out of such service.

C. Indemnitee does not regard the protection currently provided by applicable law, the Company's governing documents and any insurance as adequate under the present circumstances, and Indemnitee may not be willing to serve as a director or officer without additional protection.

D. In order to induce Indemnitee to continue to provide services to the Company, it is reasonable, prudent and necessary for the Company to contractually obligate itself to indemnify, and to advance expenses on behalf of, Indemnitee as permitted by applicable law.

E. This Agreement is a supplement to and in furtherance of the indemnification provided in the Company's certificate of incorporation and bylaws, and any resolutions adopted pursuant thereto, and this Agreement shall not be deemed a substitute therefor, nor shall this Agreement be deemed to limit, diminish or abrogate any rights of Indemnitee thereunder.

The parties therefore agree as follows:

1. **Definitions.**

(a) A "***Change in Control***" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) *Acquisition of Stock by Third Party.* Any Person (as defined below) becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities;

(ii) *Change in Board Composition.* During any period of two consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Company's board of directors, and any new directors (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 1(a)(i), 1(a)(iii) or 1(a)(iv)) whose election by the board of directors or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Company's board of directors;

(iii) *Corporate Transactions.* The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity;

(iv) *Liquidation.* The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; and

(v) *Other Events.* Any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended, whether or not the Company is then subject to such reporting requirement.

For purposes of this Section 1(a), the following terms shall have the following meanings:

(1) "***Person***" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended; *provided, however,* that "***Person***" shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(2) "***Beneficial Owner***" shall have the meaning given to such term in Rule 13d-3 under the Securities Exchange Act of 1934, as amended; *provided, however,* that "***Beneficial Owner***" shall exclude any Person otherwise becoming a Beneficial Owner by reason of (i) the stockholders of the Company approving a merger of the Company with another entity or (ii) the Company's board of directors approving a sale of securities by the Company to such Person.

(b) "***Corporate Status***" describes the status of a person who is or was a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise.

(c) "***DGCL***" means the General Corporation Law of the State of Delaware.

(d) "***Disinterested Director***" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(e) "***Enterprise***" means the Company and any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary.

(f) "***Expenses***" include all reasonable and actually incurred attorneys' fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond or other appeal bond or their equivalent, and (ii) for purposes of Section 12(d), Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) "***Independent Counsel***" means a law firm, or a partner or member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party (other than as Independent Counsel with respect to matters concerning Indemnitee under this Agreement, or other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "***Independent Counsel***" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(h) "***Proceeding***" means any threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, including any appeal therefrom and including without limitation any such Proceeding pending as of the date of this Agreement, in which Indemnitee was, is or will be involved as a party, a potential party, a non-party witness or otherwise by reason of (i) the fact that Indemnitee is or was a director or officer of the Company, (ii) any action taken by Indemnitee or any action or inaction on Indemnitee's part while acting as a director or officer of the Company, or (iii) the fact that he or she is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification or advancement of expenses can be provided under this Agreement.

(i) Reference to "***other enterprises***" shall include employee benefit plans; references to "***fines***" shall include any excise taxes assessed on a person with respect to any employee benefit plan; references to "***serving at the request of the Company***" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "***not opposed to the best interests of the Company***" as referred to in this Agreement.

2. **Indemnity in Third-Party Proceedings.** The Company shall indemnify Indemnitee in accordance with the provisions of this Section 2 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 2, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

3. **Indemnity in Proceedings by or in the Right of the Company.** The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 3 in respect of any claim, issue or matter as to which Indemnitee shall have been adjudged by a court of competent jurisdiction to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court of Chancery or such other court shall deem proper.

4. **Indemnification for Expenses of a Party Who is Wholly or Partly Successful.** To the extent that Indemnitee is a party to or a participant in and is successful (on the merits or otherwise) in defense of any Proceeding or any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith. For purposes of this section, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

5. **Indemnification for Expenses of a Witness.** To the extent that Indemnitee is, by reason of his or her Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

6. **Additional Indemnification.**

(a) Notwithstanding any limitation in Sections 2, 3 or 4, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with the Proceeding or any claim, issue or matter therein.

(b) For purposes of Section 6(a), the meaning of the phrase "***to the fullest extent permitted by applicable law***" shall include, but not be limited to:

(i) the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL; and

(ii) the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

7. **Exclusions.** Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any Proceeding (or any part of any Proceeding):

(a) for which payment has actually been made to or on behalf of Indemnitee under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(b) for an accounting or disgorgement of profits pursuant to Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of federal, state or local statutory law or common law, if Indemnitee is held liable therefor (including pursuant to any settlement arrangements);

(c) for any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Securities Exchange Act of 1934, as amended (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "***Sarbanes-Oxley Act***"), or Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act), if Indemnitee is held liable therefor (including pursuant to any settlement arrangements);

(d) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees, agents or other indemnitees, unless (i) the Company's board of directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law, (iii) otherwise authorized in Section 12(d) or (iv) otherwise required by applicable law; or

(e) if prohibited by applicable law.

8. **Advances of Expenses.** The Company shall advance the Expenses incurred by Indemnitee in connection with any Proceeding prior to its final disposition, and such advancement shall be made as soon as reasonably practicable, but in any event no later than 30 days, after the receipt by the Company of a written statement or statements requesting such advances from time to time (which shall include invoices received by Indemnitee in connection with such Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditure made that would cause Indemnitee to waive any privilege accorded by applicable law shall not be included with the invoice). Advances shall be unsecured and interest free and made without regard to Indemnitee's ability to repay such advances. Indemnitee hereby undertakes to repay any advance to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company. This Section 8 shall not apply to the extent advancement is prohibited by law and shall not apply to any Proceeding (or any part of any Proceeding) for which indemnity is not permitted under this Agreement, but shall apply to any Proceeding (or any part of any Proceeding) referenced in Section 7(b) or 7(c) prior to a determination that Indemnitee is not entitled to be indemnified by the Company.

9. **Procedures for Notification and Defense of Claim.**

(a) Indemnitee shall notify the Company in writing of any matter with respect to which Indemnitee intends to seek indemnification or advancement of Expenses as soon as reasonably practicable following the receipt by Indemnitee of notice thereof. The written notification to the Company shall include, in reasonable detail, a description of the nature of the Proceeding and the facts underlying the Proceeding. The failure by Indemnitee to notify the Company will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights.

(b) If, at the time of the receipt of a notice of a Proceeding pursuant to the terms hereof, the Company has directors' and officers' liability insurance in effect that may be applicable to the Proceeding, the Company shall give prompt notice of the commencement of the Proceeding to the insurers in accordance with the procedures set forth in the applicable policies. The Company shall thereafter take all commercially-reasonable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(c) In the event the Company may be obligated to make any indemnity in connection with a Proceeding, the Company shall be entitled to assume the defense of such Proceeding with counsel approved by Indemnitee, which approval shall not be unreasonably withheld, conditioned or delayed, upon the delivery to Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee for any fees or expenses of counsel subsequently incurred by Indemnitee with respect to the same Proceeding. Notwithstanding the Company's assumption of the defense of any such Proceeding, the Company shall be obligated to pay the fees and expenses of Indemnitee's separate counsel to the extent (i) the employment of separate counsel by Indemnitee is authorized by the Company, (ii) counsel for the Company or Indemnitee shall have reasonably concluded that there is a conflict of interest between the Company and Indemnitee in the conduct of any such defense such that Indemnitee needs to be separately represented, (iii) the Company is not financially or legally able to perform its indemnification obligations or (iv) the Company shall not have retained, or shall not continue to retain, counsel to defend such Proceeding. Regardless of any provision in this Agreement, Indemnitee shall have the right to employ counsel in any Proceeding at Indemnitee's personal expense. The Company shall not be entitled, without the consent of Indemnitee, to assume the defense of any claim brought by or in the right of the Company.

(d) Indemnitee shall give the Company such information and cooperation in connection with the Proceeding as may be reasonably appropriate.

(e) The Company shall not be liable to indemnify Indemnitee for any settlement of any Proceeding (or any part thereof) without the Company's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

(f) The Company shall not settle any Proceeding (or any part thereof) in a manner that imposes any penalty or liability on Indemnitee without Indemnitee's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

10. **Procedures upon Application for Indemnification.**

(a) To obtain indemnification, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and as is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of the Proceeding. Any delay in providing the request will not relieve the Company from its obligations under this Agreement, except to the extent such failure is prejudicial.

(b) Upon written request by Indemnitee for indemnification pursuant to Section 10(a), a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case (i) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Company's board of directors, a copy of which shall be delivered to Indemnitee or (ii) if a Change in Control shall not have occurred, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Company's board of directors, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Company's board of directors, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Company's board of directors, a copy of which shall be delivered to Indemnitee or (D) if so directed by the Company's board of directors, by the stockholders of the Company. If it is determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within twenty days after such determination. Indemnitee shall cooperate with the person, persons or entity making the determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information that is not privileged or otherwise protected from disclosure and that is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company, to the extent permitted by applicable law.

(c) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(b), the Independent Counsel shall be selected as provided in this Section 10(d). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Company's board of directors, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Company's board of directors, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; *provided*, *however*, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 1 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within 30 days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 10(a) hereof and (ii) the final disposition of the Proceeding, the parties have not agreed upon an Independent Counsel, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(b) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, the Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(d) The Company agrees to pay the reasonable fees and expenses of any Independent Counsel and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

11. **Presumptions and Effect of Certain Proceedings.**

(a) In making a determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(c) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith to the extent Indemnitee relied in good faith on (i) the records or books of account of the Enterprise, including financial statements, (ii) information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, (iii) the advice of legal counsel for the Enterprise or its board of directors or counsel selected by any committee of the board of directors or (iv) information or records given or reports made to the Enterprise by an independent certified public accountant, an appraiser, investment banker or other expert selected with reasonable care by the Enterprise or its board of directors or any committee of the board of directors. The provisions of this Section 11(c) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(d) Neither the knowledge, actions nor failure to act of any other director, officer, agent or employee of the Enterprise shall be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

12. **Remedies of Indemnitee.**

(a) Subject to Section 12(e), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 or 12(d) of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10 of this Agreement within 90 days after the later of the receipt by the Company of the request for indemnification or the final disposition of the Proceeding, (iv) payment of indemnification pursuant to this Agreement is not made (A) within twenty days after a determination has been made that Indemnitee is entitled to indemnification or (B) with respect to indemnification pursuant to Sections 4, 5 and 12(d) of this Agreement, within 30 days after receipt by the Company of a written request therefor, or (v) the Company or any other person or entity takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of Expenses. The Company shall not oppose Indemnitee's right to seek any such adjudication in accordance with this Agreement.

(b) Neither (i) the failure of the Company, its board of directors, any committee or subgroup of the board of directors, Independent Counsel or stockholders to have made a determination that indemnification of Indemnitee is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor (ii) an actual determination by the Company, its board of directors, any committee or subgroup of the board of directors, Independent Counsel or stockholders that Indemnitee has not met the applicable standard of conduct, shall create a presumption that Indemnitee has or has not met the applicable standard of conduct. In the event that a determination shall have been made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 12 shall be conducted in all respects as a *de novo* trial, on the merits, and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding commenced pursuant to this Section 12, the Company shall, to the fullest extent not prohibited by law, have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) To the fullest extent not prohibited by law, the Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement. If a determination shall have been made pursuant to Section 10 of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 12, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statements not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) To the extent not prohibited by law, the Company shall indemnify Indemnitee against all Expenses that are incurred by Indemnitee in connection with any action for indemnification or advancement of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company to the extent Indemnitee is successful in such action, and, if requested by Indemnitee, shall (as soon as reasonably practicable, but in any event no later than 30 days, after receipt by the Company of a written request therefor) advance such Expenses to Indemnitee, subject to the provisions of Section 8.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification shall be required to be made prior to the final disposition of the Proceeding.

13. **Contribution.** To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amounts incurred by Indemnitee, whether for Expenses, judgments, fines or amounts paid or to be paid in settlement, in connection with (a) any claim relating to an indemnifiable event under this Agreement in which the Company and Indemnitee are held to be jointly liable, (i) all such amounts incurred by Indemnitee and will waive and relinquish any right of contribution it may have against Indemnitee, or (ii) if such contribution is not permissible under applicable law, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (x) the relative benefits received by the Company and Indemnitee as a result of the events and transactions giving rise to such Proceeding; and (y) the relative fault of Indemnitee and the Company (and its other directors, officers, employees and agents) in connection with such events and transactions, or (b) any other claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the events and transactions giving rise to such Proceeding; and (ii) the relative fault of Indemnitee and the Company (and its other directors, officers, employees and agents) in connection with such events and transactions.

14. **Non-exclusivity.** The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Company's certificate of incorporation or bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Company's certificate of incorporation and bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change, subject to the restrictions expressly set forth herein or therein. Except as expressly set forth herein, no right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. Except as expressly set forth herein, the assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

15. **Primary Responsibility.** The Company acknowledges that Indemnitee may have certain rights to indemnification and advancement of expenses provided by third parties (collectively, the "***Secondary Indemnitor***"). The Company agrees that, as between the Company and the Secondary Indemnitors, the Company is primarily responsible for amounts required to be indemnified or advanced under the Company's certificate of incorporation or bylaws or this Agreement and any obligation of the Secondary Indemnitors to provide indemnification or advancement for the same amounts is secondary to those Company obligations. To the extent not in contravention of any insurance policy or policies providing liability or other insurance for the Company or any director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise, the Company waives any right of contribution or subrogation against the Secondary Indemnitors with respect to the liabilities for which the Company is primarily responsible under this Section 15. In the event of any payment by the Secondary Indemnitors of amounts otherwise required to be indemnified or advanced by the Company under the Company's certificate of incorporation or bylaws or this Agreement, the Secondary Indemnitors shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee for indemnification or advancement of expenses under the Company's certificate of incorporation or bylaws or this Agreement or, to the extent such subrogation is unavailable and contribution is found to be the applicable remedy, shall have a right of contribution with respect to the amounts paid; *provided, however,* that the foregoing sentence will be deemed void if and to the extent that it would violate any applicable insurance policy. The Secondary Indemnitors are express third-party beneficiaries of the terms of this Section 15.

16. **No Duplication of Payments.** Subject to any subrogation rights set forth in Section 15, the Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received payment for such amounts under any insurance policy, contract, agreement or otherwise.

17. **Insurance.** To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, trustees, general partners, managing members, officers, employees, agents or fiduciaries of the Company or any other Enterprise, Indemnitee shall be covered by such policy or policies to the same extent as the most favorably-insured persons under such policy or policies in a comparable position.

18. **Subrogation.** In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

19. **Services to the Company.** Indemnitee agrees to serve as a director or officer of the Company or, at the request of the Company, as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of another Enterprise, for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his or her resignation or is removed from such position. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law). This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee. Indemnitee specifically acknowledges that any employment with the Company (or any of its subsidiaries or any Enterprise) is at will, and Indemnitee may be discharged at any time for any reason, with or without cause, with or without notice, except as may be otherwise expressly provided in any executed, written employment contract between Indemnitee and the Company (or any of its subsidiaries or any Enterprise), any existing formal severance policies adopted by the Company's board of directors or, with respect to service as a director or officer of the Company, the Company's certificate of incorporation or bylaws or the DGCL. No such document shall be subject to any oral modification thereof.

20. **Duration.** This Agreement shall continue until and terminate upon the later of (a) ten years after the date that Indemnitee shall have ceased to serve as a director or officer of the Company or as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of any other Enterprise, as applicable; or (b) one year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto.

21. **Successors.** This Agreement shall be binding upon the Company and its successors and assigns, including any direct or indirect successor, by purchase, merger, consolidation or otherwise, to all or substantially all of the business or assets of the Company, and shall inure to the benefit of Indemnitee and Indemnitee's heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by written agreement, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

22. **Severability.** Nothing in this Agreement is intended to require or shall be construed as requiring the Company to do or fail to do any act in violation of applicable law. The Company's inability, pursuant to court order or other applicable law, to perform its obligations under this Agreement shall not constitute a breach of this Agreement. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (ii) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (iii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

23. **Enforcement.** The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

24. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; *provided*, *however*, that this Agreement is a supplement to and in furtherance of the Company's certificate of incorporation and bylaws and applicable law.

25. **Modification and Waiver.** No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by the parties hereto. No amendment, alteration or repeal of this Agreement shall adversely affect any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. No waiver of any of the provisions of this Agreement shall constitute or be deemed a waiver of any other provision of this Agreement nor shall any waiver constitute a continuing waiver.

26. **Notices.** All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or electronic mail or otherwise delivered by hand, messenger or courier service addressed:

(a) if to Indemnitee, to Indemnitee's address, facsimile number or electronic mail address as shown on the signature page of this Agreement or in the Company's records, as may be updated in accordance with the provisions hereof; or

(b) if to the Company, to the attention of the Chief Executive Officer or Chief Financial Officer of the Company at Zscaler, Inc., 110 Rose Orchard Way, San Jose, CA 95134, or at such other current address as the Company shall have furnished to Indemnitee, with a copy (which shall not constitute notice) to Mark Baudler at Wilson Sonsini Goodrich & Rosati, P.C., 650 Page Mill Road, Palo Alto, California 94304.

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given (i) if delivered by hand, messenger or courier service, when delivered (or if sent *via* a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), or (ii) if sent *via* mail, at the earlier of its receipt or five days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or (iii) if sent *via* facsimile, upon confirmation of facsimile transfer or, if sent *via* electronic mail, upon confirmation of delivery when directed to the relevant electronic mail address, if sent during normal business hours of the recipient, or if not sent during normal business hours of the recipient, then on the recipient's next business day.

27. **Applicable Law and Consent to Jurisdiction.** This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. The Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court of Chancery, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court of Chancery for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, Incorporation Services, Ltd. as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court of Chancery, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court of Chancery has been brought in an improper or inconvenient forum.

28. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. This Agreement may also be executed and delivered by facsimile signature and in counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

29. **Captions.** The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

(*signature page follows*)

The parties are signing this Indemnification Agreement as of the date stated in the introductory sentence.

ZSCALER, INC.

_____

(*Signature*)

_____

(*Print name*)

_____

(*Title*)

[*INSERT INDEMNITEE NAME*]

_____

(*Signature*)

_____

(*Print name*)

_____

(*Street address*)

_____

(*City, State and ZIP*)

Exhibit 10.4

ZSCALER, INC.

2007 STOCK PLAN

(As Amended through September 22, 2017)

1. Purposes of the Plan. The purposes of this Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to Employees, Directors and Consultants and to promote the success of the Company's business. The Plan permits the grant of Options and Stock Purchase Rights as the Administrator may determine.

2. Definitions. As used herein, the following definitions shall apply:

(a) "Administrator" means the Board or any of its Committees as shall be administering the Plan in accordance with Section 4 hereof.

(b) "Applicable Laws" means the requirements relating to the administration of equity compensation plans under United States state corporate laws, United States federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any other country or jurisdiction where Awards are granted under the Plan.

(c) "Award" means, individually or collectively, a grant under the Plan of Options or Stock Purchase Rights.

(d) "Award Agreement" means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(e) "Board" means the Board of Directors of the Company.

(f) "Change in Control" means the occurrence of any of the following events:

(i) Change in Ownership of the Company. A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company, except that any change in the ownership of the stock of the Company as a result of a private financing of the Company that is approved by the Board will not be considered a Change in Control; or

(ii) Change in Effective Control of the Company. If the Company has a class of securities registered pursuant to Section 12 of the Exchange Act, a change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this clause (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) Change in Ownership of a Substantial Portion of the Company's Assets. A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions. For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this Section 2(f), persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction shall not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Section 409A of the Code, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

For the avoidance of doubt, a transaction shall not constitute a Change in Control if: (i) its sole purpose is to change the state of the Company's incorporation, or (ii) its sole purpose is to create a holding company that shall be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(g) "Code" means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code herein shall be a reference to any successor or amended section of the Code.

(h) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board, or by the compensation committee of the Board, in accordance with Section 4 hereof.

(i) "Common Stock" means the Common Stock of the Company.

(j) "Company" means Zscaler, Inc., a Delaware corporation.

(k) "Consultant" means any person who is engaged by the Company or any Parent or Subsidiary to render consulting or advisory services to such entity.

(l) "Director" means a member of the Board.

(m) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code.

(n) "Employee" means any person, including officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director's fee by the Company shall be sufficient to constitute "employment" by the Company.

(o) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(p) "Exchange Program" means a program under which (i) outstanding Options are surrendered or cancelled in exchange for Options of the same type (which may have lower or higher exercise prices and different terms), Options of a different type, and/or cash, and/or (ii) the exercise price of an outstanding Option is reduced. The terms and conditions of any Exchange Program shall be determined by the Administrator in its sole discretion.

(q) "Fair Market Value" means, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the Nasdaq Global Market, the Nasdaq Global Select Market or the Nasdaq Capital Market, its Fair Market Value shall be the closing sales price for such stock (or, if no closing sales price was reported on that date, as applicable, on the last trading date such closing sales price was reported) as quoted on such exchange or system on the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value shall be the mean between the high bid and low asked prices for the Common Stock on the day of determination (or, if no bids and asks were reported on that date, as applicable, on the last trading date such bids and asks were reported); or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value thereof shall be determined in good faith by the Administrator.

(r) "Incentive Stock Option" means an Option that by its terms qualifies and is otherwise intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(s) "Nonstatutory Stock Option" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(t) "Option" means a stock option granted pursuant to the Plan.

(u) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(v) "Participant" means the holder of an outstanding Award.

(w) "Plan" means this 2007 Stock Plan.

(x) "Restricted Stock" means Shares issued pursuant to a Stock Purchase Right or Shares of restricted stock issued pursuant to an Option.

(y) "Restricted Stock Purchase Agreement" means a written or electronic agreement between the Company and the Participant evidencing the terms and restrictions applying to Shares purchased under a Stock Purchase Right. The Restricted Stock Purchase Agreement is subject to the terms and conditions of the Plan and the notice of grant.

(z) "Securities Act" means the Securities Act of 1933, as amended.

(aa) "Service Provider" means an Employee, Director or Consultant.

(bb) "Share" means a share of the Common Stock, as adjusted in accordance with Section 11 below.

(cc) "Stock Purchase Right" means a right to purchase Common Stock pursuant to Section 7 below.

(dd) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. Stock Subject to the Plan. Subject to the provisions of Section 11 of the Plan, the maximum aggregate number of Shares that may be subject to Awards and sold under the Plan is 57,597,368 Shares. The Shares may be authorized but unissued, or reacquired Common Stock.

If an Award expires or becomes unexercisable without having been exercised in full, or is surrendered pursuant to an Exchange Program, the unpurchased Shares that were subject thereto shall become available for future grant or sale under the Plan (unless the Plan has terminated). However, Shares that have actually been issued under the Plan, upon exercise of an Award, shall not be returned to the Plan and shall not become available for future distribution under the Plan, except that if unvested Shares of Restricted Stock are repurchased by the Company at their original purchase price, such Shares shall become available for future grant under the Plan. Notwithstanding the foregoing and, subject to adjustment provided in Section 11, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options shall equal the aggregate Share number stated in this Section, plus, to the extent allowable under Section 422 of the Code, any Shares that become available for issuance under the Plan under this Section.

4. Administration of the Plan.

(a) Administrator. The Plan shall be administered by the Board or a Committee appointed by the Board, which Committee shall be constituted to comply with Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan and, in the case of a Committee, the specific duties delegated by the Board to such Committee, and subject to the approval of any relevant authorities, the Administrator shall have the authority in its discretion:

(i) to determine the Fair Market Value;

(ii) to select the Service Providers to whom Awards may from time to time be granted hereunder;

(iii) to determine the number of Shares to be covered by each such Award granted hereunder;

(iv) to approve forms of agreement for use under the Plan;

(v) to determine the terms and conditions of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Common Stock relating thereto, based in each case on such factors as the Administrator, in its sole discretion, shall determine;

(vi) to institute an Exchange Program;

(vii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws;

(viii) to modify or amend each Award (subject to Section 19(c) of the Plan) including but not limited to the discretionary authority to extend the post-termination exercise period of Awards and to extend the maximum term of an Option (subject to Section 6(a) regarding Incentive Stock Options);

(ix) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator; and

(x) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan.

(c) Effect of Administrator's Decision. All decisions, determinations and interpretations of the Administrator shall be final and binding on all Participants.

5. Eligibility. Nonstatutory Stock Options and Stock Purchase Rights may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. Stock Options.

(a) Term of Option. The term of each Option shall be stated in the Award Agreement; provided, however, that the term shall be no more than ten (10) years from the date of grant thereof. In the case of an Incentive Stock Option granted to a Participant who, at the time the Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Option shall be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(b) Option Exercise Price and Consideration.

(i) Exercise Price. The per Share exercise price for the Shares to be issued pursuant to the exercise of an Option will be determined by the Administrator, but will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant. In addition, in the case of an Incentive Stock Option granted to an Employee who owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price will be no less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant. Notwithstanding the foregoing provisions of this Section 6(b)(i), Options may be granted with a per Share exercise price of less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Code Section 424(a).

(ii) Forms of Consideration. The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Administrator (and, in the case of an Incentive Stock Option, shall be determined at the time of grant). Such consideration may consist of, without limitation, (1) cash, (2) check, (3) promissory note, to the extent permitted by Applicable Laws, (4) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option shall be exercised and provided that accepting such Shares, in the sole discretion of the Administrator, shall not result in any adverse accounting consequences to the Company, (5) consideration received by the Company under a cashless exercise program implemented by the Company in connection with the Plan, (6) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws, or (7) any combination of the foregoing methods of payment. In making its determination as to the type of consideration to accept, the Administrator shall consider if acceptance of such consideration may be reasonably expected to benefit the Company.

(c) Exercise of Option.

(i) Procedure for Exercise; Rights as a Stockholder. Any Option granted hereunder shall be exercisable according to the terms hereof at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option shall be deemed exercised when the Company receives (i) written or electronic notice of exercise (in accordance with the Award Agreement) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised, together with any applicable withholding taxes. Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option shall be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the Shares, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment shall be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 11 of the Plan.

Exercise of an Option in any manner shall result in a decrease in the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(ii) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, such Participant may exercise his or her Option within thirty (30) days of termination, or such longer period of time as specified in the Award Agreement, to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of the Option as set forth in the Award Agreement). Unless the Administrator provides otherwise, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall revert to the Plan. If, after termination, the Participant does not exercise his or her Option within the time specified by the Administrator, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within six (6) months of termination, or such longer period of time as specified in the Award Agreement, to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). Unless the Administrator provides otherwise, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall revert to the Plan. If, after termination, the Participant does not exercise his or her Option within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised within six (6) months following the Participant's death, or such longer period of time as specified in the Award Agreement, to the extent that the Option is vested on the date of death (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) by the Participant's designated beneficiary, provided such beneficiary has been designated prior to the Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. If, at the time of death, the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(v) Incentive Stock Option Limit. Each Option shall be designated in the Award Agreement as either an Incentive Stock Option 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 (under all plans of the Company and any Parent or Subsidiary) exceeds one

hundred thousand dollars ($100,000), such Options shall be treated as Nonstatutory Stock Options. For purposes of this Section 6(c)(v), Incentive Stock Options shall be taken into account in the order in which they were granted. The Fair Market Value of the Shares shall be determined as of the time the Option with respect to such Shares is granted.

7. Stock Purchase Rights.

(a) Rights to Purchase. Stock Purchase Rights may be issued either alone, in addition to, or in tandem with other awards granted under the Plan and/or cash awards made outside of the Plan. After the Administrator determines that it shall offer Stock Purchase Rights under the Plan, it shall advise the offeree in writing or electronically of the terms, conditions and restrictions related to the offer, including the number of Shares that such person shall be entitled to purchase, the price to be paid, and the time within which such person must accept such offer.

(b) Repurchase Option. Unless the Administrator determines otherwise, the Restricted Stock Purchase Agreement shall grant the Company a repurchase option according to the following terms: the repurchase price shall be at the original purchase price, provided that the right to repurchase must be exercised for cash or cancellation of any indebtedness of the purchaser to the Company within ninety (90) days of the voluntary or involuntary termination of the purchaser's service with the Company for any reason (including death or disability).

(c) Terms. The following terms shall apply to all Stock Purchase Rights granted under the Plan:

(i) Stock Purchase Rights granted to any Service Provider shall have a purchase price that is not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant or on the date of purchase;

(ii) The term of each Stock Purchase Right shall be stated in the Restricted Stock Purchase Agreement; provided, however, that the term shall be no more than ten (10) years from the date of grant thereof.

(d) Other Provisions. The Restricted Stock Purchase Agreement shall contain such other terms, provisions and conditions not inconsistent with the Plan as may be determined by the Administrator in its sole discretion.

(e) Rights as a Stockholder. Once the Stock Purchase Right is exercised, the purchaser shall have rights equivalent to those of a stockholder and shall be a stockholder when his or her purchase is entered upon the records of the duly authorized transfer agent of the Company. No adjustment shall be made for a dividend or other right for which the record date is prior to the date the Stock Purchase Right is exercised, except as provided in Section 11 of the Plan.

8. Tax Withholding. Prior to the delivery of any Shares pursuant to an Award (or exercise thereof), the Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local, foreign or other taxes (including the Participant's FICA obligation) required to be withheld with respect to such Award (or exercise thereof). The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, shall determine in what manner it shall allow a

Participant to satisfy such tax withholding obligation and may permit the Participant to satisfy such tax withholding obligation, in whole or in part by one (1) or more of the following: (a) paying cash (or by check), (b) electing to have the Company withhold otherwise deliverable Shares having a Fair Market Value equal to the minimum amount statutorily required to be withheld, or (c) selling a sufficient number of such Shares otherwise deliverable to a Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the minimum amount statutorily required to be withheld.

9. Limited Transferability of Awards. Unless determined otherwise by the Administrator, Awards may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or the laws of descent and distribution, and may be exercised during the lifetime of the Participant, only by the Participant. If the Administrator in its sole discretion makes an Award transferable, such Award may only be transferred (i) by will, (ii) by the laws of descent and distribution, or (iii) to family members (within the meaning of Rule 701 of the Securities Act) through gifts or domestic relations orders, as permitted by Rule 701 of the Securities Act.

10. Leaves of Absence; Transfers.

(a) Unless the Administrator provides otherwise, or except as otherwise required by Applicable Laws, vesting of Awards granted hereunder to officers, Directors and Consultants shall be suspended during any unpaid leave of absence.

(b) A Service Provider shall not cease to be a Service Provider in the case of (i) any leave of absence approved by the Company, or (ii) transfers between locations of the Company or between the Company, its Parent, any Subsidiary, or any successor.

(c) For purposes of Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then six (6) months following the first (1st) day of such leave, any Incentive Stock Option held by the Participant shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonstatutory Stock Option.

11. Adjustments; Dissolution or Liquidation; Merger or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, shall adjust the number and class of Shares that may be delivered under the Plan and/or the number, class, and price of Shares covered by each outstanding Award; provided, however, that the Administrator shall make such adjustments to the extent required by Section 25102(o) of the California Corporations Code.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator shall notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Award shall terminate immediately prior to the consummation of such proposed action.

(c) Merger or Change in Control. In the event of a merger or Change in Control, each outstanding Award shall be treated as the Administrator determines, including, without limitation, that each Award be assumed or an equivalent award substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. The Administrator shall not be required to treat all Awards similarly in the transaction.

Notwithstanding the foregoing, in the event that the successor corporation does not assume or substitute for the Award, the Participant shall fully vest in and have the right to exercise his or her outstanding Awards, including Shares as to which such Award would not otherwise be vested or exercisable, and restrictions on all of the Participant's Stock Purchase Rights and Restricted Stock shall lapse. In addition, if an Award is not assumed or substituted in the event of a merger or Change in Control, the Administrator shall notify the Participant in writing or electronically that the Award shall be fully vested and exercisable for a period of time determined by the Administrator in its sole discretion, and any Award not assumed or substituted for shall terminate upon the expiration of such period for no consideration, unless otherwise determined by the Administrator.

For the purposes of this Section 11(c), the Award shall be considered assumed if, following the merger or Change in Control, the option or right confers the right to purchase or receive, for each Share subject to the Award immediately prior to the merger or Change in Control, the consideration (whether stock, cash, or other securities or property) received in the merger or Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the merger or Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of the Award, for each Share subject to the Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of common stock in the merger or Change in Control.

12. Time of Granting Awards. The date of grant of an Award shall, for all purposes, be the date on which the Administrator makes the determination granting such Award, or such later date as is determined by the Administrator. Notice of the determination shall be given to each Service Provider to whom an Award is so granted within a reasonable time after the date of such grant.

13. No Effect on Employment or Service. Neither the Plan nor any Award shall confer upon any participant any right with respect to continuing the Participant's relationship as a Service Provider with the Company, nor shall it interfere in any way with his or her right or the Company's right to terminate such relationship at any time, with or without cause, and with or without notice.

14. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares shall not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares shall comply with Applicable Laws and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Award, the Administrator may in its discretion require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares.

15. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

16. Reservation of Shares. The Company, during the term of this Plan, shall at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

17. Stockholder Approval. The Plan shall be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted. Such stockholder approval shall be obtained in the degree and manner required under Applicable Laws.

18. Term of Plan. Subject to stockholder approval in accordance with Section 17, the Plan shall become effective upon its adoption by the Board. Unless sooner terminated under Section 19, it shall continue in effect for a term of ten (10) years from the later of (a) the effective date of the Plan, or (b) the earlier of the most recent Board or stockholder approval of an increase in the number of Shares reserved for issuance under the Plan.

19. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board may at any time amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Board shall obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan shall impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing (which may include e-mail) and signed by the Participant and the Company. Termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Options granted under the Plan prior to the date of such termination.

APPENDIX A

ZSCALER, INC.

2007 STOCK PLAN

ADDITIONAL TERMS AND CONDITIONS FOR EMPLOYEES RESIDENT IN INDIA

The additional terms and conditions detailed below are to be read in conjunction with the Plan and the Award Agreement. Any terms and provisions not specifically defined below for Employees subject to the laws of India will have the same meaning as defined in the Plan and the Award Agreement.

1. Definitions. Notwithstanding the provisions of the Plan, the following definitions will have the meaning given to them for Options granted to employees of the Company resident in India.

(a) "FEMA" means the Foreign Exchange Management Act, 1999 of India, the rules and regulations notified thereunder and any amendments thereto. The restrictions under FEMA, as referred to in this Appendix A and as existing on the effective date of this Appendix A, will be read to include the amendments made to FEMA subsequent to the effective date of this Appendix A and will be deemed to have always included such amendments.

(b) "Indian Subsidiary" for the purpose of this Appendix A, means SafeChannel Softech Pvt Ltd. for so long as the holding-subsidiary relationship exists between Zscaler, Inc. and SafeChannel Softech Pvt Ltd., as per the provisions of section 4 of the Indian Companies Act, 1956.

(c) "Option" means a stock option granted pursuant to the Plan, but shall not include Incentive Stock Options, as such term is understood under Applicable Laws of the United States.

2. Purpose. The purpose of this Appendix A is to establish certain rules applicable to Shares which may be granted under the Plan from time to time to Employees of the Indian Subsidiary, who are residents of the Republic of India, in compliance with the exchange control, securities and other Applicable Laws currently in force in India. Except as otherwise provided by this Appendix A, all Shares granted pursuant to this Appendix A shall be governed by the terms of the Plan. In the event of a conflict between the provisions of the Plan and the provisions of this Appendix A, the provisions of this Appendix A shall prevail.

3. Consideration. Except as otherwise provided below, payment of the exercise price for the number of Shares being purchased pursuant to any Option will be made (i) in cash, by check or cash equivalent, (ii) pursuant to a cashless exercise program implemented by the Company in connection with the Plan, (iii) by such other consideration as may be approved by the Administrator from time to time to the extent permitted by Applicable Law, or (iv) by any combination thereof. Notwithstanding the foregoing, the above procedures will be subject to compliance with the applicable regulations under FEMA.

4. Eligibility. Notwithstanding the provisions of the Plan, Options in the form of Shares granted to residents of India may only be granted to Employees who are, on the date of grant, "resident" in India in accordance with the provisions of FEMA and satisfy the provisions in Section 5 of the Plan regarding eligibility, as applicable. Consultants resident in India will not be eligible to receive Options under this Appendix A.

Options may be granted to Employees in accordance with the terms of the Plan and this Appendix A to the Plan as the Administrator deems appropriate. In determining which Employees may be granted Options and for determining the quantum of Options to be granted, the Administrator will take into account whether Options will provide additional incentive to Employees, whether such Options will promote the success of the Company's business, the potential for future contribution to the Company and the Indian Subsidiary, integrity, number of employment years and any other factor(s) as deemed appropriate by the Administrator.

5. Term of Option. Notwithstanding the provisions of the Plan, the term of each Option shall be stated in the Award Agreement; provided, however, that the term shall be no more than ten (10) years from the date of grant thereof.

6. Exercise of Option. Notwithstanding the provisions of the Plan, the Participant may exercise an Option following his or her termination as a Service Provider until the earliest of: (i) the seventh (7^{th}) anniversary of the date on which the Participant ceases to be a Service Provider; (ii) the immediately before the effective date of an initial public offering of the Common Stock ("IPO"); (iii) immediately before the closing of a Change in Control; and (iv) the maximum term of the Option set forth in the Award Agreement in accordance with Section 5 of this Appendix A (the earliest such date being, a "Compulsory Exercise Date").

7. Compulsory Exercise. Upon the occurrence of the Compulsory Exercise Date, the Company shall send a notice that the Compulsory Exercise Date has occurred (the "Compulsory Notice") to the Participant's address as set forth in the books and records of the Company. The Participant shall have the duty to keep the Company apprised of any changes in the Participant's address. The Company shall have no duty to confirm any Participant's address, nor shall the Company have any liability if the Participant's address on the books and records of the Company is not correct (so long as the address was an address used by the Participant since the granting of the Option).

The Participant shall have a period of time as the Administrator shall determine in its discretion from the date the Compulsory Notice is sent (the "Compulsory Election Period") by the Company make an election with respect to his or her Option. The Participant may: 1) exercise the Option for cash, and pay any fringe benefit tax ("FBT") liability discussed in Section 10 of this Appendix A and the Award Agreement in cash or in stock; 2) exercise the Option on a cashless basis (including by way of net exercise) and pay any FBT liability in cash or in Shares; or 3) elect not to exercise the Option, in which case the Option shall remain outstanding and subject to terms and conditions set forth in the Award Agreement.

If the Company does not receive any response to the Compulsory Notice from the Participant during the Compulsory Election Period, the Company shall automatically perform a cashless exercise on behalf of the Participant and shall pay any FBT liability out of Shares issued (the "Compulsory Shares"). Notwithstanding the foregoing sentence, in the event that the (A) FBT liability with respect to any Option is determined by the Administrator to be greater than the difference between the (i) Fair Market Value of the vested portion of the Shares subject to the Option and the (ii) total exercise price of the vested portion of the Shares subject to the Option (the "spread") and (B) the Company has not received any response from Participant following the Compulsory Election Period, the vested portion of the Option shall terminate and all Shares thereunder shall be forfeited to the Company. In the event of the Company's automatic cashless exercise following the Compulsory Election Period, the Company shall hold the Compulsory Shares for the benefit of the Participant for a period of five (5) years from the date of the cashless exercise. If the Compulsory Shares are not claimed by the Participant within such five (5) year period, such Compulsory Shares shall be deemed abandoned and shall be forfeited to the Company.

8. Standard Form of Award Agreement. Unless otherwise provided by the Administrator at the time the Option is granted, an Option shall comply with and be subject to the terms and conditions set forth in the Award Agreement approved by the Administrator concurrently and to be used in conjunction with the adoption of this Appendix A.

9. Currency Exchange Rates. Except as otherwise determined by the Administrator, all monetary values under this Appendix A including, without limitation, the Fair Market Value per Share and the exercise price shall be stated in United States Dollars. Any changes or fluctuations in the exchange rate at which amounts paid by a Participant in currencies other than United States Dollars are converted into United States Dollars or amounts paid to a Participant in United States Dollars are converted into currencies other than United States Dollars shall be borne solely by the Participant.

10. Recovery of Fringe Benefit from the Participant. The Administrator shall have the right to recover from a Participant the FBT whether paid or payable by the Company or the Indian Subsidiary arising on account of allotment of Shares upon the exercise of Options by a Participant.

11. Compliance With Law. In addition to the requirements set forth in the Plan, the grant of Shares pursuant to this Appendix A and the issuance of Shares upon exercise of the right to purchase shall be subject to compliance with all applicable requirements of the law of the Republic of India.

ZSCALER, INC.

2007 STOCK PLAN

STOCK OPTION AGREEMENT

Unless otherwise defined herein, the terms defined in the 2007 Stock Plan (the "Plan") shall have the same defined meanings in this Stock Option Agreement (the "Option Agreement").

I. NOTICE OF STOCK OPTION GRANT

Name:

Address:

The undersigned Participant has been granted an Option to purchase Common Stock of the Company, subject to the terms and conditions of the Plan and this Option Agreement, as follows:

Date of Grant: _____

Vesting Commencement Date: _____

Exercise Price per Share: $ _____

Total Number of Shares Granted: _____

Total Exercise Price: $ _____

Type of Option: _____ Incentive Stock Option

_____ Nonstatutory Stock Option

Term/Expiration Date: _____

Vesting Schedule:

This Option shall be exercisable, in whole or in part, according to the following vesting schedule:

[insert vesting schedule]

Termination Period:

This Option shall be exercisable for three (3) months after Participant ceases to be a Service Provider, unless such termination is due to Participant's death or Disability, in which case this Option shall be exercisable for one (1) year after Participant ceases to be a Service Provider. Notwithstanding the foregoing sentence, in no event may this Option be exercised after the Term/Expiration Date as provided above and may be subject to earlier termination as provided in Section 11(c) of the Plan.

II. AGREEMENT

1. Grant of Option. The Administrator of the Company hereby grants to the Participant named in the Notice of Stock Option Grant in Part I of this Agreement ("Participant"), an option (the "Option") to purchase the number of Shares set forth in the Notice of Stock Option Grant, at the exercise price per Share set forth in the Notice of Stock Option Grant (the "Exercise Price"), and subject to the terms and conditions of the Plan, which is incorporated herein by reference. Subject to Section 19(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Option Agreement, the terms and conditions of the Plan shall prevail.

If designated in the Notice of Stock Option Grant as an Incentive Stock Option ("ISO"), this Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code. Nevertheless, to the extent that it exceeds the $100,000 rule of Code Section 422(d), this Option shall be treated as a Nonstatutory Stock Option ("NSO").

2. Exercise of Option.

(a) Right to Exercise. This Option shall be exercisable during its term in accordance with the Vesting Schedule set out in the Notice of Stock Option Grant and with the applicable provisions of the Plan and this Option Agreement.

(b) Method of Exercise. This Option shall be exercisable by delivery of an exercise notice in the form attached as Exhibit A (the "Exercise Notice") or in a manner and pursuant to such procedures as the Administrator may determine, which shall state the election to exercise the Option, the number of Shares with respect to which the Option is being exercised, and such other representations and agreements as may be required by the Company. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares, together with any applicable tax withholding. This Option shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the aggregate Exercise Price, together with any applicable tax withholding.

No Shares shall be issued pursuant to the exercise of an Option unless such issuance and such exercise comply with Applicable Laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Participant on the date on which the Option is exercised with respect to such Shares.

3. Participant's Representations. In the event the Shares have not been registered under the Securities Act of 1933, as amended, at the time this Option is exercised, Participant shall, if required by the Company, concurrently with the exercise of all or any portion of this Option, deliver to the Company his or her Investment Representation Statement in the form attached hereto as Exhibit B.

4. Lock-Up Period. Participant hereby agrees that Participant shall not offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or

indirectly, any Common Stock (or other securities) of the Company or enter into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Common Stock (or other securities) of the Company held by Participant (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed one hundred eighty (180) days following the effective date of any registration statement of the Company filed under the Securities Act (or such other period as may be requested by the Company or the underwriters to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto).

Participant agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, Participant shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 4 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of said one hundred eighty (180) day (or other) period. Participant agrees that any transferee of the Option or shares acquired pursuant to the Option shall be bound by this Section 4.

5. Method of Payment. Payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Participant:

(a) cash;

(b) check;

(c) consideration received by the Company under a formal cashless exercise program adopted by the Company in connection with the Plan; or

(d) surrender of other Shares which (i) if acquired either directly or indirectly from the Company, have been owned by Participant for at least the period required to avoid a charge to the Company's reported earnings, (ii) shall be valued at its Fair Market Value on the date of exercise, and (iii) must be owned free and clear of any liens, claims, encumbrances or security interests, if accepting such Shares, in the sole discretion of the Administrator, shall not result in any adverse accounting consequences to the Company.

6. Restrictions on Exercise. This Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such shares would constitute a violation of any Applicable Law.

7. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Participant only by Participant. The terms of the Plan and this Option Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of Participant.

8. Term of Option. This Option may be exercised only within the term set out in the Notice of Stock Option Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Option.

9. Tax Obligations.

(a) Tax Withholding. Participant agrees to make appropriate arrangements with the Company (or the Parent or Subsidiary employing or retaining Participant) for the satisfaction of all Federal, state, local and foreign income and employment tax withholding requirements applicable to the Option exercise. Participant acknowledges and agrees that the Company may refuse to honor the exercise and refuse to deliver the Shares if such withholding amounts are not delivered at the time of exercise.

(b) Notice of Disqualifying Disposition of ISO Shares. If the Option granted to Participant herein is an ISO, and if Participant sells or otherwise disposes of any of the Shares acquired pursuant to the ISO on or before the later of (i) the date two (2) years after the Date of Grant, or (ii) the date one (1) year after the date of exercise, Participant shall immediately notify the Company in writing of such disposition. Participant agrees that Participant may be subject to income tax withholding by the Company on the compensation income recognized by Participant.

(c) Code Section 409A. Under Code Section 409A, an Option that vests after December 31, 2004 that was granted with a per Share exercise price that is determined by the Internal Revenue Service (the "IRS") to be less than the Fair Market Value of a Share on the date of grant (a "discount option") may be considered "deferred compensation." An Option that is a "discount option" may result in (i) income recognition by Participant prior to the exercise of the Option, (ii) an additional twenty percent (20%) federal income tax, and (iii) potential penalty and interest charges. The "discount option" may also result in additional state income, penalty and interest tax to the Participant. Participant acknowledges that the Company cannot and has not guaranteed that the IRS will agree that the per Share exercise price of this Option equals or exceeds the Fair Market Value of a Share on the date of grant in a later examination. Participant agrees that if the IRS determines that the Option was granted with a per Share exercise price that was less than the Fair Market Value of a Share on the date of grant, Participant shall be solely responsible for Participant's costs related to such a determination.

10. Entire Agreement; Governing Law. The Plan is incorporated herein by reference. The Plan and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to Participant's interest except by means of a writing signed by the Company and Participant. This Agreement is governed by the internal substantive laws but not the choice of law rules of Delaware.

11. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS OPTION OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Option subject to all of the terms and provisions thereof. Participant has reviewed the Plan and this Option in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option and fully understands all provisions of the Option. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Option. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT	**ZSCALER, INC.**
Signature	By
Print Name	Print Name
	Title
Residence Address	

EXHIBIT A

2007 STOCK PLAN

EXERCISE NOTICE

Zscaler, Inc.

1. Exercise of Option. Effective as of today, _____, _____, the undersigned ("Participant") hereby elects to exercise Participant's option (the "Option") to purchase _____ shares of the Common Stock (the "Shares") of Zscaler, Inc. (the "Company") under and pursuant to the 2007 Stock Plan (the "Plan") and the Stock Option Agreement dated _____, _____ (the "Option Agreement").

2. Delivery of Payment. Participant herewith delivers to the Company the full purchase price of the Shares, as set forth in the Option Agreement, and any and all withholding taxes due in connection with the exercise of the Option.

3. Representations of Participant. Participant acknowledges that Participant has received, read and understood the Plan and the Option Agreement and agrees to abide by and be bound by their terms and conditions.

4. Rights as Stockholder. Until the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the Common Stock subject to an Award, notwithstanding the exercise of the Option. The Shares shall be issued to Participant as soon as practicable after the Option is exercised in accordance with the Option Agreement. No adjustment shall be made for a dividend or other right for which the record date is prior to the date of issuance except as provided in Section 11 of the Plan.

5. Company's Right of First Refusal. Before any Shares held by Participant or any transferee (either being sometimes referred to herein as the "Holder") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 5 (the "Right of First Refusal").

(a) Notice of Proposed Transfer. The Holder of the Shares shall deliver to the Company a written notice (the "Notice") stating: (i) the Holder's bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the bona fide cash price or other consideration for which the Holder proposes to transfer the Shares (the "Offered Price"), and the Holder shall offer the Shares at the Offered Price to the Company or its assignee(s).

(b) Exercise of Right of First Refusal. At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (c) below.

(c) Purchase Price. The purchase price ("Purchase Price") for the Shares purchased by the Company or its assignee(s) under this Section 5 shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of Directors of the Company in good faith.

(d) Payment. Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee), or by any combination thereof within thirty (30) days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(e) Holder's Right to Transfer. If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 5, then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, *provided* that such sale or other transfer is consummated within one hundred and twenty (120) days after the date of the Notice, that any such sale or other transfer is effected in accordance with any applicable securities laws and that the Proposed Transferee agrees in writing that the provisions of this Section 5 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(f) Exception for Certain Family Transfers. Anything to the contrary contained in this Section 5 notwithstanding, the transfer of any or all of the Shares during Participant's lifetime or on Participant's death by will or intestacy to Participant's immediate family or a trust for the benefit of Participant's immediate family shall be exempt from the provisions of this Section 5. "Immediate Family" as used herein shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section 5, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 5.

(g) Termination of Right of First Refusal. The Right of First Refusal shall terminate as to any Shares upon the earlier of (i) the first sale of Common Stock of the Company to the general public, or (ii) a Change in Control in which the successor corporation has equity securities that are publicly traded.

6. Tax Consultation. Participant understands that Participant may suffer adverse tax consequences as a result of Participant's purchase or disposition of the Shares. Participant represents that Participant has consulted with any tax consultants Participant deems advisable in connection with the purchase or disposition of the Shares and that Participant is not relying on the Company for any tax advice.

7. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Participant understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by the Company or by state or federal securities laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR, IN THE OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS IN COMPLIANCE THEREWITH.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND A RIGHT OF FIRST REFUSAL HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE EXERCISE NOTICE BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER FOR A PERIOD OF TIME FOLLOWING THE EFFECTIVE DATE OF THE UNDERWRITTEN PUBLIC OFFERING OF THE COMPANY'S SECURITIES SET FORTH IN AN AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF BY THE HOLDER PRIOR TO THE EXPIRATION OF SUCH PERIOD WITHOUT THE CONSENT OF THE COMPANY OR THE MANAGING UNDERWRITER.

(b) Stop-Transfer Notices. Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Exercise Notice, or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

8. Successors and Assigns. The Company may assign any of its rights under this Exercise Notice to single or multiple assignees, and this Exercise Notice shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Exercise Notice shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns.

9. Interpretation. Any dispute regarding the interpretation of this Exercise Notice shall be submitted by Participant or by the Company forthwith to the Administrator which shall review such dispute at its next regular meeting. The resolution of such a dispute by the Administrator shall be final and binding on all parties.

10. Governing Law; Severability. This Exercise Notice is governed by the internal substantive laws but not the choice of law rules, of Delaware. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Exercise Notice shall continue in full force and effect.

11. Entire Agreement. The Plan and Option Agreement are incorporated herein by reference. This Exercise Notice, the Plan, the Option Agreement and the Investment Representation Statement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant.

Submitted by:	Accepted by:
PARTICIPANT	**ZSCALER, INC.**
_____	_____
Signature	By
_____	_____
Print Name	Print Name
	_____
	Title
Address:	Address:
_____	
_____	
	_____
	Date Received

EXHIBIT B

INVESTMENT REPRESENTATION STATEMENT

PARTICIPANT	:	
COMPANY	:	ZSCALER, INC.
SECURITY	:	COMMON STOCK
AMOUNT	:	
DATE	:	

In connection with the purchase of the above-listed Securities, the undersigned Participant represents to the Company the following:

(a) Participant is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Participant is acquiring these Securities for investment for Participant's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act").

(b) Participant acknowledges and understands that the Securities constitute "restricted securities" under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Participant's investment intent as expressed herein. In this connection, Participant understands that, in the view of the Securities and Exchange Commission, the statutory basis for such exemption may be unavailable if Participant's representation was predicated solely upon a present intention to hold these Securities for the minimum capital gains period specified under tax statutes, for a deferred sale, for or until an increase or decrease in the market price of the Securities, or for a period of one year or any other fixed period in the future. Participant further understands that the Securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Participant further acknowledges and understands that the Company is under no obligation to register the Securities. Participant understands that the certificate evidencing the Securities shall be imprinted with any legend required under applicable state securities laws.

(c) Participant is familiar with the provisions of Rule 701 and Rule 144, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly from the issuer thereof, in a non-public offering subject to the satisfaction of certain conditions. Rule 701 provides that if the issuer qualifies under Rule 701 at the time of the grant of the Option to Participant, the exercise shall be exempt from registration under the Securities Act. In the event the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, ninety (90) days thereafter (or such

longer period as any market stand-off agreement may require) the Securities exempt under Rule 701 may be resold, subject to the satisfaction of certain of the conditions specified by Rule 144, including: (1) the resale being made through a broker in an unsolicited "broker's transaction" or in transactions directly with a market maker (as said term is defined under the Securities Exchange Act of 1934); and, in the case of an affiliate, (2) the availability of certain public information about the Company, (3) the amount of Securities being sold during any three (3) month period not exceeding the limitations specified in Rule 144(e), and (4) the timely filing of a Form 144, if applicable.

In the event that the Company does not qualify under Rule 701 at the time of grant of the Option, then the Securities may be resold in certain limited circumstances subject to the provisions of Rule 144, which requires the resale to occur not less than one (1) year after the later of the date the Securities were sold by the Company or the date the Securities were sold by an affiliate of the Company, within the meaning of Rule 144; and, in the case of acquisition of the Securities by an affiliate, or by a non-affiliate who subsequently holds the Securities less than two (2) years, the satisfaction of the conditions set forth in sections (1), (2), (3) and (4) of the paragraph immediately above.

(d) Participant further understands that in the event all of the applicable requirements of Rule 701 or 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption shall be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rules 144 or 701 shall have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk. Participant understands that no assurances can be given that any such other registration exemption shall be available in such event.

PARTICIPANT

_____

Signature

_____

Print Name

_____

Date

ZSCALER, INC.

2007 STOCK PLAN

STOCK OPTION AGREEMENT

FOR EMPLOYEES RESIDENT IN INDIA

Unless otherwise defined herein, the terms defined in the 2007 Stock Plan and Appendix A thereto (the "Plan") shall have the same defined meanings in this Stock Option Agreement (the "Option Agreement").

I. NOTICE OF STOCK OPTION GRANT

Name: _____

Address: _____

_____

The undersigned Participant has been granted an Option to purchase Common Stock of the Company, subject to the terms and conditions of the Plan and this Option Agreement, as follows:

Date of Grant: _____

Vesting Commencement Date: _____

Exercise Price per Share: _____

Total Number of Shares Granted: _____

Total Exercise Price: _____

Type of Option: _____ Incentive Stock Option

_____ Nonstatutory Stock Option

Term/Expiration Date: _____

Vesting Schedule: This Option shall be exercisable, in whole or in part, according to the following vesting schedule:

[insert vesting schedule]

Termination Period:

This Option shall be exercisable for three (3) months after Participant ceases to be a Service Provider, unless such termination is due to Participant's death or Disability, in which case this Option shall be exercisable for twelve (12) months after Participant ceases to be a Service Provider. Notwithstanding the foregoing sentence, in no event may this Option be exercised after the Term/Expiration Date as provided above and may be subject to earlier termination as provided in Section 11(c) of the Plan.

II. AGREEMENT

1. Grant of Option. The Administrator of the Company hereby grants to the Participant named in the Notice of Stock Option Grant in Part I of this Agreement ("Participant"), an option (the "Option") to purchase the number of Shares set forth in the Notice of Stock Option Grant, at the exercise price per Share set forth in the Notice of Stock Option Grant (the "Exercise Price"), and subject to the terms and conditions of the Plan, which is incorporated herein by reference. Subject to Section 19(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Option Agreement, the terms and conditions of the Plan shall prevail.

2. Exercise of Option.

(a) Right to Exercise. This Option shall be exercisable during its term in accordance with the Vesting Schedule set out in the Notice of Stock Option Grant and with the applicable provisions of the Plan and this Option Agreement.

(b) Compulsory Exercise. Upon the occurrence of the Compulsory Exercise Date, the Company shall send a notice that the Compulsory Exercise Date has occurred (the "Compulsory Notice") to the Participant's address as set forth in the books and records of the Company. The Participant shall have the duty to keep the Company apprised of any changes in the Participant's address. The Company shall have no duty to confirm any Participant's address, nor shall the Company have any liability if the Participant's address on the books and records of the Company is not correct (so long as the address was an address used by the Participant since the granting of the Award).

The Participant shall have such period of time as is determined by the Administrator from the date the Compulsory Notice is sent (the "Compulsory Election Period") by the Company to make an election with respect to this Option. The Participant may: 1) exercise the Option for cash, and pay any fringe benefit tax ("FBT") liability, discussed in Section 9 below, in cash or in Shares; 2) exercise the Option on a cashless basis (including by way of net exercise) and pay any FBT liability in cash or in Shares; or 3) elect not to exercise the Option, in which case this Option shall remain outstanding and subject to the terms and conditions of this Option Agreement.

If the Company does not receive any response to the Compulsory Notice from the Participant during the Compulsory Election Period, the Company shall automatically perform a cashless exercise on behalf of the Participant and shall pay any FBT liability out of Shares issued (the "Compulsory Shares"). Notwithstanding the foregoing sentence, in the event that the (A) FBT liability with respect to any Option is determined by the Administrator to be greater than the difference between the (i) Fair Market Value of the vested portion of the Shares subject to the Option and the (ii) total exercise price of the vested portion of the Shares subject to the Option (the "spread") and (B) the Company has not received any response from Participant following the Compulsory Election Period, the vested portion of the Option shall terminate and all Shares thereunder shall be forfeited to the Company. In the event of the Company's automatic cashless exercise following the Compulsory Election Period, the Company shall hold the Compulsory Shares

for the benefit of the Participant for a period of five (5) years from the date of the cashless exercise. If the Compulsory Shares are not claimed by the Participant within such five (5) year period, such Compulsory Shares shall be deemed abandoned and shall be forfeited to the Company.

(c) Method of Exercise. This Option shall be exercisable by delivery of an exercise notice in the form attached as Exhibit A (the "Exercise Notice") or in a manner and pursuant to such procedures as the Administrator may determine, which shall state the election to exercise the Option, the number of Shares with respect to which the Option is being exercised, and such other representations and agreements as may be required by the Company. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares, together with any applicable tax withholding. This Option shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the aggregate Exercise Price, together with any applicable tax withholding.

No Shares shall be issued pursuant to the exercise of an Option unless such issuance and such exercise comply with Applicable Laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Participant on the date on which the Option is exercised with respect to such Shares.

3. Participant's Representations. In the event the Shares have not been registered under the Securities Act of 1933, as amended, at the time this Option is exercised, Participant shall, if required by the Company, concurrently with the exercise of all or any portion of this Option, deliver to the Company his or her Investment Representation Statement in the form attached hereto as Exhibit B.

4. Lock-Up Period. Participant hereby agrees that Participant shall not offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Common Stock (or other securities) of the Company or enter into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Common Stock (or other securities) of the Company held by Participant (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed one hundred eighty (180) days following the effective date of any registration statement of the Company filed under the Securities Act (or such other period as may be requested by the Company or the underwriters to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto).

Participant agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, Participant shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 4 shall not apply to a registration relating solely to employee

benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of said one hundred eighty (180) day (or other) period. Participant agrees that any transferee of the Option or shares acquired pursuant to the Option shall be bound by this Section 4.

5. Method of Payment. Subject to Section 2(b), payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Participant:

(a) cash;

(b) check;

(c) consideration received by the Company under a formal cashless exercise program adopted by the Company in connection with the Plan, including, without limitation, by way of a net exercise as the Administrator determines and if permitted by Applicable Laws; or

(d) surrender of other Shares which (i) if acquired either directly or indirectly from the Company, have been owned by Participant for at least the period required to avoid a charge to the Company's reported earnings, (ii) shall be valued at its Fair Market Value on the date of exercise, and (iii) must be owned free and clear of any liens, claims, encumbrances or security interests, if accepting such Shares, in the sole discretion of the Administrator, shall not result in any adverse accounting consequences to the Company.

6. Restrictions on Exercise. This Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such shares would constitute a violation of any Applicable Law.

7. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Participant only by Participant. The terms of the Plan and this Option Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of Participant.

8. Term of Option. This Option may be exercised only within the term set out in the Notice of Stock Option Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Option.

9. Tax Obligations.

(a) Tax Withholding. Participant agrees to make appropriate arrangements with the Company (or the Parent or Subsidiary employing or retaining Participant) for the satisfaction of all Federal, state, local and foreign income and employment tax withholding requirements applicable to the Option exercise. Participant acknowledges and agrees that the Company may refuse to honor the exercise and refuse to deliver the Shares if such withholding amounts are not delivered at the time of exercise.

(b) Fringe Benefit Tax. Subject to Section 2(b), and except as otherwise determined by the Administrator, Participant agrees to reimburse or pay the Company (or its Indian Subsidiary, as directed by the Indian Subsidiary) in full, any liability that the Company or its Indian Subsidiary incurs towards any FBT, social tax, or other Indian tax paid or payable in respect of the grant, vesting, delivery, or exercise of the Option or the underlying Shares, within the time and in the manner prescribed by the Company or its Indian Subsidiary. The Administrator may in its sole discretion determine whether the FBT with respect to the Option or its underlying Shares will be paid by selling a portion of vested Shares or by direct payment from the Participant to the Company, by withholding a number of Shares upon exercise with a Fair Market Value equal to the FBT liability, some other method, or by some combination thereof. Participant agrees to execute any additional documents requested by the Company or its Indian Subsidiary for the reimbursement of such taxes to the Company.

The Participant grants to the Company and its Indian Subsidiary the irrevocable authority, as agents of Participant and on his or her behalf, to sell, retain or procure the sale of sufficient Shares subject to the Option so that the net proceeds receivable by the Company or its Indian Subsidiary are as far as possible equal to but not less than the amount of any tax the Participant is liable for (including FBT reimbursement obligations pursuant to the preceding paragraph) and the Company or its Indian Subsidiary shall remit any balance to Participant.

Participant acknowledges and agrees that the Company may refuse to deliver Shares upon exercise of the Option if Participant has not made appropriate arrangements with the Company or its Indian Subsidiary to satisfy the FBT.

(c) Code Section 409A. Under Code Section 409A, an Option that vests after December 31, 2004 that was granted with a per Share exercise price that is determined by the Internal Revenue Service (the "IRS") to be less than the Fair Market Value of a Share on the date of grant (a "discount option") may be considered "deferred compensation." An Option that is a "discount option" may result in (i) income recognition by Participant prior to the exercise of the Option, (ii) an additional twenty percent (20%) federal income tax, and (iii) potential penalty and interest charges. The "discount option" may also result in additional state income, penalty and interest tax to the Participant. Participant acknowledges that the Company cannot and has not guaranteed that the IRS will agree that the per Share exercise price of this Option equals or exceeds the Fair Market Value of a Share on the date of grant in a later examination. Participant agrees that if the IRS determines that the Option was granted with a per Share exercise price that was less than the Fair Market Value of a Share on the date of grant, Participant shall be solely responsible for Participant's costs related to such a determination.

10. Entire Agreement; Governing Law. The Plan is incorporated herein by reference. The Plan and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to Participant's interest except by means of a writing signed by the Company and Participant. This Agreement is governed by the internal substantive laws but not the choice of law rules of Delaware.

11. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS OPTION OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Option subject to all of the terms and provisions thereof. Participant has reviewed the Plan and this Option in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option and fully understands all provisions of the Option. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Option. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT	ZSCALER, INC.
_____	_____
Signature	
_____	
Print Name	
	_____
	Print Name
	_____
	Title
_____	
Residence Address	

EXHIBIT A

2007 STOCK PLAN

EXERCISE NOTICE

Zscaler, Inc.

Attention: Chief Financial Officer

1. Exercise of Option. Effective as of today, _____, _____, the undersigned ("Participant") hereby elects to exercise Participant's option (the "Option") to purchase _____ shares of the Common Stock (the "Shares") of Zscaler, Inc. (the "Company") under and pursuant to the 2007 Stock Plan (the "Plan") and the Stock Option Agreement dated _____, _____(the "Option Agreement"). Participant's fringe benefit tax liability is _____ (the "FBT Liability").

2. Delivery of Payment. Participant herewith delivers to the Company the full purchase price of the Shares, as set forth in the Option Agreement, and any and all FBT Liability and withholding taxes due in connection with the exercise of the Option as follows:

Method of Exercise (check one)	**Payment of FBT Liability** (check one)
_____ Cash	_____ Cash
_____ Cashless	_____ Shares

3. Representations of Participant. Participant acknowledges that Participant has received, read and understood the Plan and the Option Agreement and agrees to abide by and be bound by their terms and conditions.

4. Rights as Stockholder. Until the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the Common Stock subject to an Award, notwithstanding the exercise of the Option. The Shares shall be issued to Participant as soon as practicable after the Option is exercised in accordance with the Option Agreement. No adjustment shall be made for a dividend or other right for which the record date is prior to the date of issuance except as provided in Section 11 of the Plan.

5. Company's Right of First Refusal. Before any Shares held by Participant or any transferee (either being sometimes referred to herein as the "Holder") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 5 (the "Right of First Refusal").

(a) Notice of Proposed Transfer. The Holder of the Shares shall deliver to the Company a written notice (the "Notice") stating: (i) the Holder's bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the bona fide cash price or other consideration for which the Holder proposes to transfer the Shares (the "Offered Price"), and the Holder shall offer the Shares at the Offered Price to the Company or its assignee(s).

(b) Exercise of Right of First Refusal. At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (c) below.

(c) Purchase Price. The purchase price ("Purchase Price") for the Shares purchased by the Company or its assignee(s) under this Section 5 shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of Directors of the Company in good faith.

(d) Payment. Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee), or by any combination thereof within thirty (30) days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(e) Holder's Right to Transfer. If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 5, then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, *provided* that such sale or other transfer is consummated within one hundred and twenty (120) days after the date of the Notice, that any such sale or other transfer is effected in accordance with any applicable securities laws and that the Proposed Transferee agrees in writing that the provisions of this Section 5 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(f) Exception for Certain Family Transfers. Anything to the contrary contained in this Section 5 notwithstanding, the transfer of any or all of the Shares during Participant's lifetime or on Participant's death by will or intestacy to Participant's immediate family or a trust for the benefit of Participant's immediate family shall be exempt from the provisions of this Section 5. "Immediate Family" as used herein shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section 5, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 5.

(g) Termination of Right of First Refusal. The Right of First Refusal shall terminate as to any Shares upon the earlier of (i) the first sale of Common Stock of the Company to the general public, or (ii) a Change in Control in which the successor corporation has equity securities that are publicly traded.

6. Tax Consultation. Participant understands that Participant may suffer adverse tax consequences as a result of Participant's purchase or disposition of the Shares. Participant represents that Participant has consulted with any tax consultants Participant deems advisable in connection with the purchase or disposition of the Shares and that Participant is not relying on the Company for any tax advice.

7. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Participant understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by the Company or by state or federal securities laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR, IN THE OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS IN COMPLIANCE THEREWITH.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND A RIGHT OF FIRST REFUSAL HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE EXERCISE NOTICE BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER FOR A PERIOD OF TIME FOLLOWING THE EFFECTIVE DATE OF THE UNDERWRITTEN PUBLIC OFFERING OF THE COMPANY'S SECURITIES SET FORTH IN AN AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF BY THE HOLDER PRIOR TO THE EXPIRATION OF SUCH PERIOD WITHOUT THE CONSENT OF THE COMPANY OR THE MANAGING UNDERWRITER.

(b) Stop-Transfer Notices. Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Exercise Notice, or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

8. Successors and Assigns. The Company may assign any of its rights under this Exercise Notice to single or multiple assignees, and this Exercise Notice shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Exercise Notice shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns.

9. Interpretation. Any dispute regarding the interpretation of this Exercise Notice shall be submitted by Participant or by the Company forthwith to the Administrator which shall review such dispute at its next regular meeting. The resolution of such a dispute by the Administrator shall be final and binding on all parties.

10. Governing Law; Severability. This Exercise Notice is governed by the internal substantive laws but not the choice of law rules, of Delaware. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Exercise Notice shall continue in full force and effect.

11. Entire Agreement. The Plan and Option Agreement are incorporated herein by reference. This Exercise Notice, the Plan, the Option Agreement and the Investment Representation Statement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant.

(signature page to follow)

Submitted by:	Accepted by:
PARTICIPANT	**ZSCALER, INC.**
_____	_____
Signature	By
_____	_____
Print Name	Print Name
	_____
	Title
Address:	Address:
	_____
	Date Received

EXHIBIT B

INVESTMENT REPRESENTATION STATEMENT

PARTICIPANT	:	
COMPANY	:	ZSCALER, INC.
SECURITY	:	COMMON STOCK
AMOUNT	:	
DATE	:	

In connection with the purchase of the above-listed Securities, the undersigned Participant represents to the Company the following:

(a) Participant is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Participant is acquiring these Securities for investment for Participant's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act").

(b) Participant acknowledges and understands that the Securities constitute "restricted securities" under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Participant's investment intent as expressed herein. In this connection, Participant understands that, in the view of the Securities and Exchange Commission, the statutory basis for such exemption may be unavailable if Participant's representation was predicated solely upon a present intention to hold these Securities for the minimum capital gains period specified under tax statutes, for a deferred sale, for or until an increase or decrease in the market price of the Securities, or for a period of one (1) year or any other fixed period in the future. Participant further understands that the Securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Participant further acknowledges and understands that the Company is under no obligation to register the Securities. Participant understands that the certificate evidencing the Securities shall be imprinted with any legend required under applicable state securities laws.

(c) Participant is familiar with the provisions of Rule 701 and Rule 144, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly from the issuer thereof, in a non-public offering subject to the satisfaction of certain conditions. Rule 701 provides that if the issuer qualifies under Rule 701 at the time of the grant of the Option to Participant, the exercise shall be exempt from registration under the Securities Act. In the event the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, ninety (90) days thereafter (or such

longer period as any market stand-off agreement may require) the Securities exempt under Rule 701 may be resold, subject to the satisfaction of the applicable conditions specified by Rule 144, including in the case of affiliates (1) the availability of certain public information about the Company, (2) the amount of Securities being sold during any three (3) month period not exceeding specified limitations, (3) the resale being made in an unsolicited "broker's transaction", transactions directly with a "market maker" or "riskless principal transactions" (as those terms are defined under the Securities Exchange Act of 1934) and (4) the timely filing of a Form 144, if applicable.

In the event that the Company does not qualify under Rule 701 at the time of grant of the Option, then the Securities may be resold in certain limited circumstances subject to the provisions of Rule 144, which may require (i) the availability of current public information about the Company; (ii) the resale to occur more than a specified period after the purchase and full payment (within the meaning of Rule 144) for the Securities; and (iii) in the case of the sale of Securities by an affiliate, the satisfaction of the conditions set forth in sections (2), (3) and (4) of the paragraph immediately above.

(d) Participant further understands that in the event all of the applicable requirements of Rule 701 or 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption shall be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rules 144 or 701 shall have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk. Participant understands that no assurances can be given that any such other registration exemption shall be available in such event.

PARTICIPANT

_____

Signature

_____

Print Name

_____

Date

ZSCALER, INC.

2007 STOCK PLAN

STOCK OPTION AGREEMENT — EARLY EXERCISE

Unless otherwise defined herein, the terms defined in the 2007 Stock Plan (the "**Plan**") shall have the same defined meanings in this Stock Option Agreement – Early Exercise (the "**Option Agreement**").

I. NOTICE OF STOCK OPTION GRANT

Name: _____

Address: _____

_____

The undersigned Optionee has been granted an Option to purchase Common Stock of the Company, subject to the terms and conditions of the Plan and this Option Agreement, as follows:

Date of Grant	_____
Vesting Commencement Date	_____
Exercise Price per Share	$_____
Total Number of Shares Granted	_____
Total Exercise Price	$_____
Type of Option:	_____Incentive Stock Option
	_____Nonstatutory Stock Option
Term/Expiration Date:	_____

Vesting Schedule:

This Option shall be exercisable in whole or in part, according to the following vesting schedule:

[insert vesting schedule]

Termination Period:

This Option shall be exercisable for three (3) months after Optionee ceases to be a Service Provider, unless such termination is due to Optionee's death or Disability, in which case this Option shall be exercisable for one (1) year after Optionee ceases to be a Service Provider. Notwithstanding the foregoing sentence, in no event may this Option be exercised after the Term/Expiration Date as provided above and this Option may be subject to earlier termination as provided in Section 13(c) of the Plan.

II. AGREEMENT

1. Grant of Option. The Administrator of the Company hereby grants to the Optionee named in the Notice of Grant in Part I of this Agreement (the "**Optionee**"), an option (the "**Option**") to purchase the number of Shares set forth in the Notice of Grant, at the exercise price per Share set forth in the Notice of Grant (the "**Exercise Price**"), and subject to the terms and conditions of the Plan, which is incorporated herein by reference. Subject to Section 15(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Option Agreement, the terms and conditions of the Plan shall prevail.

If designated in the Notice of Grant as an Incentive Stock Option ("**ISO**"), this Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code. Nevertheless, to the extent that it exceeds the $100,000 rule of Code Section 422(d), this Option shall be treated as a Nonstatutory Stock Option ("**NSO**"). Further, if for any reason this Option (or portion thereof) shall not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a NSO granted under the Plan. In no event shall the Administrator, the Company or any Parent or Subsidiary or any of their respective employees or directors have any liability to Optionee (or any other person) due to the failure of the Option to qualify for any reason as an ISO.

2. Exercise of Option. This Option shall be exercisable during its term in accordance with the provisions of Section 10 of the Plan as follows:

(a) Right to Exercise.

(i) Subject to subsections 2(a)(ii) and 2(a)(iii) below, this Option shall be exercisable cumulatively according to the vesting schedule set forth in the Notice of Grant. Alternatively, at the election of the Optionee, this Option may be exercised in whole or in part at any time as to Shares that have not yet vested. Vested Shares shall not be subject to the Company's repurchase right (as set forth in the Restricted Stock Purchase Agreement, attached hereto as Exhibit C-1).

(ii) As a condition to exercising this Option for unvested Shares, the Optionee shall execute the Restricted Stock Purchase Agreement.

(iii) This Option may not be exercised for a fraction of a Share.

(b) Method of Exercise. This Option shall be exercisable by delivery of an exercise notice in the form attached as Exhibit A (the "**Exercise Notice**") or in a manner and pursuant to such procedures as the Administrator may determine, which shall state the election to exercise the Option, the number of Shares with respect to which the Option is being exercised, and

such other representations and agreements as may be required by the Company. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares, together with any applicable tax withholding. This Option shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the aggregate Exercise Price, together with any applicable tax withholding.

No Shares shall be issued pursuant to the exercise of an Option unless such issuance and such exercise comply with Applicable Laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to the Optionee on the date on which the Option is exercised with respect to such Shares.

3. Optionee's Representations. In the event the Shares have not been registered under the Securities Act of 1933, as amended, at the time this Option is exercised, the Optionee shall, if required by the Company, concurrently with the exercise of all or any portion of this Option, deliver to the Company his or her Investment Representation Statement in the form attached hereto as Exhibit B.

4. Lock-Up Period. Optionee hereby agrees that Optionee shall not offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Common Stock (or other securities) of the Company or enter into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Common Stock (or other securities) of the Company held by Optionee (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed one hundred eighty (180) days following the effective date of any registration statement of the Company filed under the Securities Act (or such other period as may be requested by the Company or the underwriters to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto).

Optionee agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, Optionee shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 4 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of said one hundred eighty (180) day (or other) period. Optionee agrees that any transferee of the Option or shares acquired pursuant to the Option shall be bound by this Section 4.

5. Method of Payment. Payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Optionee:

(a) cash;

(b) check;

(c) consideration received by the Company under a formal cashless exercise program adopted by the Company in connection with the Plan; or

(d) surrender of other Shares which (i) shall be valued at its Fair Market Value on the date of exercise, and (ii) must be owned free and clear of any liens, claims, encumbrances or security interests, if accepting such Shares, in the sole discretion of the Administrator, shall not result in any adverse accounting consequences to the Company.

6. Restrictions on Exercise. This Option may not be exercised until such time as the Plan has been approved by the shareholders of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such shares would constitute a violation of any Applicable Law.

7. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by Optionee. The terms of the Plan and this Option Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee.

8. Term of Option. This Option may be exercised only within the term set out in the Notice of Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Option.

9. Tax Obligations.

(a) Withholding Taxes. Optionee agrees to make appropriate arrangements with the Company (or the Parent or Subsidiary employing or retaining Optionee) for the satisfaction of all Federal, state, local and foreign income and employment tax withholding requirements applicable to the Option exercise. Optionee acknowledges and agrees that the Company may refuse to honor the exercise and refuse to deliver the Shares if such withholding amounts are not delivered at the time of exercise.

(b) Notice of Disqualifying Disposition of ISO Shares. If the Option granted to Optionee herein is an ISO, and if Optionee sells or otherwise disposes of any of the Shares acquired pursuant to the ISO on or before the later of (i) the date two (2) years after the Date of Grant, or (ii) the date one (1) year after the date of exercise, Optionee shall immediately notify the Company in writing of such disposition. Optionee agrees that Optionee may be subject to income tax withholding by the Company on the compensation income recognized by Optionee.

(c) Code Section 409 A. Under Code Section 409A, an Option that vests after December 31, 2007 (or that vested on or prior to such date but which was materially modified after October 3, 2007) that was granted with a per Share exercise price that is determined by the Internal

Revenue Service (the "IRS") to be less than the Fair Market Value of a Share on the date of grant (a "discount option") may be considered "deferred compensation." An Option that is a "discount option" may result in (i) income recognition by Optionee prior to the exercise of the Option, (ii) an additional twenty percent (20%) federal income tax, and (iii) potential penalty and interest charges. The "discount option" may also result in additional state income, penalty and interest tax to the Optionee. Optionee acknowledges that the Company cannot and has not guaranteed that the IRS will agree that the per Share exercise price of this Option equals or exceeds the Fair Market Value of a Share on the date of grant in a later examination. Optionee agrees that if the IRS determines that the Option was granted with a per Share exercise price that was less than the Fair Market Value of a Share on the date of grant, Optionee shall be solely responsible for Optionee's costs related to such a determination.

10. Entire Agreement; Governing Law. The Plan is incorporated herein by reference. The Plan and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof, and may not be modified adversely to the Optionee's interest except by means of a writing signed by the Company and Optionee. This Agreement is governed by the internal substantive laws but not the choice of law rules of California.

11. No Guarantee of Continued Service. OPTIONEE ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING OPTIONEE) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS OPTION OR ACQUIRING SHARES HEREUNDER. OPTIONEE FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH OPTIONEE'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING OPTIONEE) TO TERMINATE OPTIONEE'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

Optionee acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Option subject to all of the terms and provisions thereof. Optionee has reviewed the Plan and this Option in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option and fully understands all provisions of the Option. Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Option. Optionee further agrees to notify the Company upon any change in the residence address indicated below.

OPTIONEE

Signature

«Name»
Print Name

Residence Address

ZSCALER, INC.

Signature

Print Name

Print Title

EXHIBIT A

2007 STOCK PLAN

EXERCISE NOTICE

Zscaler, Inc.

Attention: Chief Financial Officer

1. Exercise of Option. Effective as of today, _____, _____, the undersigned ("**Optionee**") hereby elects to exercise Optionee's option (the "**Option**") to purchase_____shares of the Common Stock (the "**Shares**") of Zscaler, Inc. (the "**Company**") under and pursuant to the 2007 Stock Plan (the "**Plan**") and the Stock Option Agreement dated «AgtDate» (the "**Option Agreement**").

2. Delivery of Payment. Optionee herewith delivers to the Company the full purchase price of the Shares, as set forth in the Option Agreement, and any and all withholding taxes due in connection with the exercise of the Option.

3. Representations of Optionee. Optionee acknowledges that Optionee has received, read and understood the Plan and the Option Agreement and agrees to abide by and be bound by their terms and conditions.

4. Rights as Shareholder. Until the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Optioned Stock, notwithstanding the exercise of the Option. The Shares shall be issued to the Optionee as soon as practicable after the Option is exercised in accordance with the Option Agreement. No adjustment shall be made for a dividend or other right for which the record date is prior to the date of issuance except as provided in Section 13 of the Plan.

5. Company's Right of First Refusal. Before any Shares held by Optionee or any transferee (either being sometimes referred to herein as the "**Holder**") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section (the "**Right of First Refusal**").

(a) Notice of Proposed Transfer. The Holder of the Shares shall deliver to the Company a written notice (the "**Notice**") stating: (i) the Holder's bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee ("**Proposed Transferee**"); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the bona fide cash price or other consideration for which the Holder proposes to transfer the Shares (the "**Offered Price**"), and the Holder shall offer the Shares at the Offered Price to the Company or its assignee(s).

(b) Exercise of Right of First Refusal. At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (c) below.

(c) Purchase Price. The purchase price ("**Purchase Price**") for the Shares purchased by the Company or its assignee(s) under this Section shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of Directors of the Company in good faith.

(d) Payment. Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee), or by any combination thereof within thirty (30) days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(e) Holder's Right to Transfer. If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section, then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that such sale or other transfer is consummated within one hundred and twenty (120) days after the date of the Notice, that any such sale or other transfer is effected in accordance with any applicable securities laws and that the Proposed Transferee agrees in writing that the provisions of this Section shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(f) Exception for Certain Family Transfers. Anything to the contrary contained in this Section notwithstanding, the transfer of any or all of the Shares during the Optionee's lifetime or on the Optionee's death by will or intestacy to the Optionee's immediate family or a trust for the benefit of the Optionee's immediate family shall be exempt from the provisions of this Section. "Immediate Family" as used herein shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section, and there shall be no further transfer of such Shares except in accordance with the terms of this Section.

(g) Termination of Right of First Refusal. The Right of First Refusal shall terminate as to any Shares upon the earlier of (i) first sale of Common Stock of the Company to the general public, or (ii) a Change in Control in which the successor corporation has equity securities that are publicly traded.

6. Tax Consultation. Optionee understands that Optionee may suffer adverse tax consequences as a result of Optionee's purchase or disposition of the Shares. Optionee represents that Optionee has consulted with any tax consultants Optionee deems advisable in connection with the purchase or disposition of the Shares and that Optionee is not relying on the Company for any tax advice.

7. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Optionee understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by the Company or by state or federal securities laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "**ACT**") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR, IN THE OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS IN COMPLIANCE THEREWITH.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND A RIGHT OF FIRST REFUSAL HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE EXERCISE NOTICE BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER FOR A PERIOD OF TIME FOLLOWING THE EFFECTIVE DATE OF THE UNDERWRITTEN PUBLIC OFFERING OF THE COMPANY'S SECURITIES SET FORTH IN AN AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF BY THE HOLDER PRIOR TO THE EXPIRATION OF SUCH PERIOD WITHOUT THE CONSENT OF THE COMPANY OR THE MANAGING UNDERWRITER.

(b) Stop-Transfer Notices. Optionee agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Exercise Notice or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

8. Successors and Assigns. The Company may assign any of its rights under this Exercise Notice to single or multiple assignees, and this Exercise Notice shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Exercise Notice shall be binding upon Optionee and his or her heirs, executors, administrators, successors and assigns.

9. Interpretation. Any dispute regarding the interpretation of this Exercise Notice shall be submitted by Optionee or by the Company forthwith to the Administrator, which shall review such dispute at its next regular meeting. The resolution of such a dispute by the Administrator shall be final and binding on all parties.

10. Governing Law; Severability. This Exercise Notice is governed by the internal substantive laws, but not the choice of law rules, of California. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Exercise Notice shall continue in full force and effect.

11. Entire Agreement. The Plan and Option Agreement are incorporated herein by reference. This Exercise Notice, the Plan, the Restricted Stock Purchase Agreement, the Option Agreement and the Investment Representation Statement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof, and may not be modified adversely to the Optionee's interest except by means of a writing signed by the Company and Optionee.

Submitted by:	Accepted by:
OPTIONEE	**ZSCALER, INC.**
_____	_____
Signature	By
_____	_____
Print Name	Its
Address:	Address:
_____	
_____	
_____	Date Received: _____

EXHIBIT B

INVESTMENT REPRESENTATION STATEMENT

OPTIONEE :

COMPANY : ZSCALER, INC.

SECURITY : COMMON STOCK

AMOUNT : _____ SHARES

DATE :

In connection with the purchase of the above-listed Securities, the undersigned Optionee represents to the Company the following:

(a) Optionee is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Optionee is acquiring these Securities for investment for Optionee's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act of 1933, as amended (the "**Securities Act**").

(b) Optionee acknowledges and understands that the Securities constitute "restricted securities" under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Optionee's investment intent as expressed herein. In this connection, Optionee understands that, in the view of the Securities and Exchange Commission, the statutory basis for such exemption may be unavailable if Optionee's representation was predicated solely upon a present intention to hold these Securities for the minimum capital gains period specified under tax statutes, for a deferred sale, for or until an increase or decrease in the market price of the Securities, or for a period of one year or any other fixed period in the future. Optionee further understands that the Securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Optionee further acknowledges and understands that the Company is under no obligation to register the Securities. Optionee understands that the certificate evidencing the Securities will be imprinted with any legend required under applicable state securities laws.

(c) Optionee is familiar with the provisions of Rule 701 and Rule 144, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly from the issuer thereof, in a non-public offering subject to the satisfaction of certain conditions. Rule 701 provides that if the issuer qualifies under Rule 701 at the time of the grant of the Option to Optionee, the exercise shall be exempt from registration under the Securities Act. In the event the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, ninety (90) days thereafter (or such

longer period as any market stand-off agreement may require) the Securities exempt under Rule 701 may be resold, subject to the satisfaction of the applicable conditions specified by Rule 144, including in the case of affiliates (1) the availability of certain public information about the Company, (2) the amount of Securities being sold during any three (3) month period not exceeding specified limitations, (3) the resale being made in an unsolicited "broker's transaction", transactions directly with a "market maker" or "riskless principal transactions" (as those terms are defined under the Securities Exchange Act of 1934) and (4) the timely filing of a Form 144, if applicable.

In the event that the Company does not qualify under Rule 701 at the time of grant of the Option, then the Securities may be resold in certain limited circumstances subject to the provisions of Rule 144, which may require (i) the availability of current public information about the Company; (ii) the resale to occur more than a specified period after the purchase and full payment (within the meaning of Rule 144) for the Securities; and (iii) in the case of the sale of Securities by an affiliate, the satisfaction of the conditions set forth in sections (2), (3) and (4) of the paragraph immediately above.

(d) Optionee further understands that in the event all of the applicable requirements of Rule 701 or 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rules 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk. Optionee understands that no assurances can be given that any such other registration exemption will be available in such event.

Signature of Optionee:

_____

Date:_____

EXHIBIT C-1

ZSCALER, INC.

2007 STOCK PLAN

RESTRICTED STOCK PURCHASE AGREEMENT

THIS AGREEMENT is made between _____ (the "**Purchaser**") and Zscaler, Inc. (the "**Company**") or its assignees of rights hereunder as of _____, ____.

Unless otherwise defined herein, the terms defined in the 2007 Stock Plan shall have the same defined meanings in this Agreement.

RECITALS

A. Pursuant to the exercise of the option granted to Purchaser under the Plan and pursuant to the Option Agreement dated _____ by and between the Company and Purchaser with respect to such grant (the "**Option**"), which Plan and Option Agreement are hereby incorporated by reference, Purchaser has elected to purchase _____ of those shares of Common Stock which have not become vested under the vesting schedule set forth in the Option Agreement ("**Unvested Shares**"). The Unvested Shares and the shares subject to the Option Agreement, which have become vested are sometimes collectively referred to herein as the "**Shares**."

B. As required by the Option Agreement, as a condition to Purchaser's election to exercise the option, Purchaser must execute this Agreement, which sets forth the rights and obligations of the parties with respect to Shares acquired upon exercise of the Option.

1. Repurchase Option.

(a) If Purchaser's status as a Service Provider is terminated for any reason, including for death and Disability, the Company shall have the right and option for ninety (90) days from such date to purchase from Purchaser, or Purchaser's personal representative, as the case may be, all of the Purchaser's Unvested Shares as of the date of such termination at the price paid by the Purchaser for such Shares (the "**Repurchase Option**").

(b) Upon the occurrence of such termination, the Company may exercise its Repurchase Option by delivering personally or by registered mail, to Purchaser (or his or her transferee or legal representative, as the case may be) with a copy to the escrow agent described in Section 2(b) below, a notice in writing indicating the Company's intention to exercise the Repurchase Option AND, at the Company's option, (i) by delivering to the Purchaser (or the Purchaser's transferee or legal representative) a check in the amount of the aggregate repurchase price, or (ii) by the Company canceling an amount of the Purchaser's indebtedness to the Company equal to the aggregate repurchase price, or (iii) by a combination of (i) and (ii) so that the combined payment and cancellation of indebtedness equals such aggregate repurchase price. Upon delivery of such notice and payment of the aggregate repurchase price in any of the ways described above, the

Company shall become the legal and beneficial owner of the Unvested Shares being repurchased and the rights and interests therein or relating thereto, and the Company shall have the right to retain and transfer to its own name the number of Unvested Shares being repurchased by the Company.

(c) Whenever the Company shall have the right to repurchase Unvested Shares hereunder, the Company may designate and assign one or more employees, officers, directors or shareholders of the Company or other persons or organizations to exercise all or a part of the Company's Repurchase Option under this Agreement and purchase all or a part of such Unvested Shares.

(d) If the Company does not elect to exercise the Repurchase Option conferred above by giving the requisite notice within ninety (90) days following the termination, the Repurchase Option shall terminate.

(e) The Repurchase Option shall terminate in accordance with the vesting schedule contained in Purchaser's Option Agreement.

2. Transferability of the Shares; Escrow.

(a) Purchaser hereby authorizes and directs the Secretary of the Company, or such other person designated by the Company, to transfer the Unvested Shares as to which the Repurchase Option has been exercised from Purchaser to the Company.

(b) To insure the availability for delivery of Purchaser's Unvested Shares upon repurchase by the Company pursuant to the Repurchase Option under Section 1, Purchaser hereby appoints the Secretary, or any other person designated by the Company as escrow agent (the "**Escrow Agent**"), as its attorney-in-fact to sell, assign and transfer unto the Company, such Unvested Shares, if any, repurchased by the Company pursuant to the Repurchase Option and shall, upon execution of this Agreement, deliver and deposit with the Escrow Agent, the share certificates representing the Unvested Shares, together with the stock assignment duly endorsed in blank, attached hereto as Exhibit C-2. The Unvested Shares and stock assignment shall be held by the Escrow Agent in escrow, pursuant to the Joint Escrow Instructions of the Company and Purchaser attached as Exhibit C-3 hereto, until the Company exercises its Repurchase Option, until such Unvested Shares are vested, or until such time as this Agreement no longer is in effect. Upon vesting of the Unvested Shares, the Escrow Agent shall promptly deliver to the Purchaser the certificate or certificates representing such Shares in the Escrow Agent's possession belonging to the Purchaser, and the Escrow Agent shall be discharged of all further obligations hereunder; provided, however, that the Escrow Agent shall nevertheless retain such certificate or certificates as Escrow Agent if so required pursuant to other restrictions imposed pursuant to this Agreement.

(c) Neither the Company nor the Escrow Agent shall be liable for any act it may do or omit to do with respect to holding the Shares in escrow and while acting in good faith and in the exercise of its judgment.

(d) Transfer or sale of the Shares is subject to restrictions on transfer imposed by any applicable state and federal securities laws. Any transferee shall hold such Shares subject to all the provisions hereof and the Exercise Notice executed by the Purchaser with respect to any Unvested Shares purchased by Purchaser and shall acknowledge the same by signing a copy of this Agreement.

3. Ownership, Voting Rights, Duties. This Agreement shall not affect in any way the ownership, voting rights or other rights or duties of Purchaser, except as specifically provided herein.

4. Legends. The share certificate evidencing the Shares issued hereunder shall be endorsed with the following legend (in addition to any legend required under applicable federal and state securities laws):

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS UPON TRANSFER AND RIGHTS OF REPURCHASE AS SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

5. Adjustment for Stock Split. All references to the number of Shares and the purchase price of the Shares in this Agreement shall be appropriately adjusted to reflect any stock split, stock dividend or other change in the Shares, which may be made by the Company pursuant to Section 13 of the Plan after the date of this Agreement.

6. Notices. Notices required hereunder shall be given in person or by registered mail to the address of Purchaser shown on the records of the Company, and to the Company at their respective principal executive offices.

7. Survival of Terms. This Agreement shall apply to and bind Purchaser and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors.

8. Section 83(b) Election. Purchaser hereby acknowledges that he or she has been informed that, with respect to the exercise of an Option for Unvested Shares, an election (the "Election") may be filed by the Purchaser with the Internal Revenue Service, within thirty (30) days of the purchase of the exercised Shares, electing pursuant to Section 83(b) of the Code to be taxed currently on any difference between the purchase price of the exercised Shares and their Fair Market Value on the date of purchase. In the case of a Nonstatutory Stock Option, this will result in a recognition of taxable income to the Purchaser on the date of exercise, measured by the excess, if any, of the Fair Market Value of the exercised Shares, at the time the Option is exercised over the purchase price for the exercised Shares. Absent such an Election, taxable income will be measured and recognized by Purchaser at the time or times on which the Company's Repurchase Option lapses. In the case of an Incentive Stock Option, such an Election will result in a recognition of income to the Purchaser for alternative minimum tax purposes on the date of exercise, measured by the excess, if any, of the Fair Market Value of the exercised Shares, at the time the option is exercised, over the purchase price for the exercised Shares. Absent such an Election, alternative minimum taxable income will be measured and recognized by Purchaser at the time or times on which the Company's Repurchase Option lapses.

This discussion is intended only as a summary of the general United States income tax laws that apply to exercising Options as to Shares that have not yet vested and is accurate only as of the date this form Agreement was approved by the Board. The federal, state and local tax consequences to any particular taxpayer will depend upon his or her individual circumstances. Purchaser is strongly encouraged to seek the advice of his or her own tax consultants in connection with the purchase of the Shares and the advisability of filing of the Election under Section 83(b) of the Code. A form of Election under Section 83(b) is attached hereto as Exhibit C-4 for reference.

PURCHASER ACKNOWLEDGES THAT IT IS PURCHASER'S SOLE RESPONSIBILITY AND NOT THE COMPANY'S TO FILE TIMELY THE ELECTION UNDER SECTION 83(b) OF THE CODE, EVEN IF PURCHASER REQUESTS THE COMPANY OR ITS REPRESENTATIVE TO MAKE THIS FILING ON PURCHASER'S BEHALF.

9. Representations. Purchaser has reviewed with his or her own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. Purchaser is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Purchaser understands that he or she (and not the Company) shall be responsible for his or her own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

10. Entire Agreement; Governing Law. The Plan and Option Agreement are incorporated herein by reference. The Plan, the Option Agreement, the Exercise Notice, this Agreement, and the Investment Representation Statement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Purchaser with respect to the subject matter hereof, and may not be modified adversely to the Purchaser's interest except by means of a writing signed by the Company and Purchaser. This Agreement is governed by the internal substantive laws but not the choice of law rules of California.

Purchaser represents that he or she has read this Agreement and is familiar with its terms and provisions. Purchaser hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Board upon any questions arising under this Agreement.

IN WITNESS WHEREOF, this Agreement is deemed made as of the date first set forth above.

OPTIONEE

Signature

Print Name

Residence Address

Dated: _____, _____

ZSCALER, INC.

By

Title

EXHIBIT C-2

ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED I, _____, hereby sell, assign and transfer unto Zscaler, Inc. _____ (_____) shares of the Common Stock of Zscaler, Inc. standing in my name of the books of said corporation represented by Certificate No. _____ herewith and do hereby irrevocably constitute and appoint _____ to transfer the said stock on the books of the within named corporation with full power of substitution in the premises.

This Stock Assignment may be used only in accordance with the Restricted Stock Purchase Agreement between Zscaler, Inc. and the undersigned dated _____, _____ (the "**Agreement**").

Dated: _____,_____ Signature: _____

INSTRUCTIONS: Please do not fill in any blanks other than the signature line. The purpose of this assignment is to enable the Company to exercise its "repurchase option," as set forth in the Agreement, without requiring additional signatures on the part of the Purchaser.

EXHIBIT C-3

JOINT ESCROW INSTRUCTIONS

_____, ____

Corporate Secretary
Zscaler, Inc.

Dear Secretary:

As Escrow Agent for both Zscaler, Inc. (the "**Company**"), and the undersigned purchaser of stock of the Company (the "**Purchaser**"), you are hereby authorized and directed to hold the documents delivered to you pursuant to the terms of that certain Restricted Stock Purchase Agreement (the "**Agreement**") between the Company and the undersigned, in accordance with the following instructions:

1. In the event the Company and/or any assignee of the Company (referred to collectively for convenience herein as the "Company") exercises the Company's repurchase option set forth in the Agreement, the Company shall give to Purchaser and you a written notice specifying the number of shares of stock to be purchased, the purchase price, and the time for a closing hereunder at the principal office of the Company. Purchaser and the Company hereby irrevocably authorize and direct you to close the transaction contemplated by such notice in accordance with the terms of said notice.

2. At the closing, you are directed (a) to date the stock assignments necessary for the transfer in question, (b) to fill in the number of shares being transferred, and (c) to deliver the stock assignments, together with the certificate evidencing the shares of stock to be transferred, to the Company or its assignee, against the simultaneous delivery to you of the purchase price (by cash, a check, or some combination thereof) for the number of shares of stock being purchased pursuant to the exercise of the Company's repurchase option.

3. Purchaser irrevocably authorizes the Company to deposit with you any certificates evidencing shares of stock to be held by you hereunder and any additions and substitutions to said shares as defined in the Agreement. Purchaser does hereby irrevocably constitute and appoint you as Purchaser's attorney-in-fact and agent for the term of this escrow to execute with respect to such securities all documents necessary or appropriate to make such securities negotiable and to complete any transaction herein contemplated, including but not limited to the filing with any applicable state blue sky authority of any required applications for consent to, or notice of transfer of, the securities. Subject to the provisions of this paragraph 3, Purchaser shall exercise all rights and privileges of a stockholder of the Company while the stock is held by you.

4. Upon written request of the Purchaser, but no more than once per calendar year, unless the Company's repurchase option has been exercised, you will deliver to Purchaser a certificate or certificates representing so many shares of stock as are not then subject to the Company's repurchase option. Within one hundred and twenty (120) days after cessation of

Purchaser's continuous employment by or services to the Company, or any parent or subsidiary of the Company, you will deliver to Purchaser a certificate or certificates representing the aggregate number of shares held or issued pursuant to the Agreement and not purchased by the Company or its assignees pursuant to exercise of the Company's repurchase option.

5. If at the time of termination of this escrow you should have in your possession any documents, securities, or other property belonging to Purchaser, you shall deliver all of the same to Purchaser and shall be discharged of all further obligations hereunder.

6. Your duties hereunder may be altered, amended, modified or revoked only by a writing signed by all of the parties hereto.

7. You shall be obligated only for the performance of such duties as are specifically set forth herein and may rely and shall be protected in relying or refraining from acting on any instrument reasonably believed by you to be genuine and to have been signed or presented by the proper party or parties. You shall not be personally liable for any act you may do or omit to do hereunder as Escrow Agent or as attorney-in-fact for Purchaser while acting in good faith, and any act done or omitted by you pursuant to the advice of your own attorneys shall be conclusive evidence of such good faith.

8. You are hereby expressly authorized to disregard any and all warnings given by any of the parties hereto or by any other person or corporation, excepting only orders or process of courts of law and are hereby expressly authorized to comply with and obey orders, judgments or decrees of any court. In case you obey or comply with any such order, judgment or decree, you shall not be liable to any of the parties hereto or to any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree being subsequently reversed, modified, annulled, set aside, vacated or found to have been entered without jurisdiction.

9. You shall not be liable in any respect on account of the identity, authorities or rights of the parties executing or delivering or purporting to execute or deliver the Agreement or any documents or papers deposited or called for hereunder.

10. You shall not be liable for the outlawing of any rights under the Statute of Limitations with respect to these Joint Escrow Instructions or any documents deposited with you.

11. You shall be entitled to employ such legal counsel and other experts as you may deem necessary properly to advise you in connection with your obligations hereunder, may rely upon the advice of such counsel, and may pay such counsel reasonable compensation therefor.

12. Your responsibilities as Escrow Agent hereunder shall terminate if you shall cease to be an officer or agent of the Company or if you shall resign by written notice to each party. In the event of any such termination, the Company shall appoint a successor Escrow Agent.

13. If you reasonably require other or further instruments in connection with these Joint Escrow Instructions or obligations in respect hereto, the necessary parties hereto shall join in furnishing such instruments.

14. It is understood and agreed that should any dispute arise with respect to the delivery and/or ownership or right of possession of the securities held by you hereunder, you are authorized and directed to retain in your possession without liability to anyone all or any part of said securities until such disputes shall have been settled either by mutual written agreement of the parties concerned or by a final order, decree or judgment of a court of competent jurisdiction after the time for appeal has expired and no appeal has been perfected, but you shall be under no duty whatsoever to institute or defend any such proceedings.

15. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery or upon deposit in the United States Post Office, by registered or certified mail with postage and fees prepaid, addressed to each of the other parties thereunto entitled at the following addresses or at such other addresses as a party may designate by ten (10) days' advance written notice to each of the other parties hereto.

16. By signing these Joint Escrow Instructions, you become a party hereto only for the purpose of said Joint Escrow Instructions; you do not become a party to the Agreement.

17. This instrument shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and permitted assigns.

18. These Joint Escrow Instructions shall be governed by the internal substantive laws, but not the choice of law rules, of California.

PURCHASER

_____
Signature

_____
Print Name

_____

_____
Residence Address

ESCROW AGENT

_____
Corporate Secretary

Dated: _____,_____

ZSCALER, INC.

_____
By

_____
Title

EXHIBIT C-4

ELECTION UNDER SECTION 83(b)
OF THE INTERNAL REVENUE CODE OF 1986

The undersigned taxpayer hereby elects, pursuant to Sections 55 and 83(b) of the Internal Revenue Code of 1986, as amended, to include in taxpayer's gross income or alternative minimum taxable income, as the case may be, for the current taxable year the amount of any compensation taxable to taxpayer in connection with taxpayer's receipt of the property described below.

1. The name, address, taxpayer identification number and taxable year of the undersigned are as follows:

	TAXPAYER	**SPOUSE**
NAME:	_____	_____
ADDRESS:	_____	_____
	_____	_____
TAX ID NO.:	_____	_____
TAXABLE YEAR:	_____	

2. The property with respect to which the election is made is described as follows: _____ shares (the "**Shares**") of the Common Stock of Zscaler, Inc. (the "**Company**").

3. The date on which the property was transferred is: _____ , _____.

4. The property is subject to the following restrictions:

   The Shares may not be transferred and are subject to forfeiture under the terms of an agreement between the taxpayer and the Company. These restrictions lapse upon the satisfaction of certain conditions contained in such agreement.

5. The Fair Market Value at the time of transfer, determined without regard to any restriction other than a restriction which by its terms shall never lapse, of such property is: $_____.

6. The amount (if any) paid for such property is: $_____.

The undersigned has submitted a copy of this statement to the person for whom the services were performed in connection with the undersigned's receipt of the above-described property. The transferee of such property is the person performing the services in connection with the transfer of said property.

The undersigned understands that the foregoing election may not be revoked except with the consent of the Commissioner.

Dated: _____, _____

_____
Taxpayer

The undersigned spouse of taxpayer joins in this election.

Dated: _____, _____

_____
Spouse of Taxpayer

ZSCALER, INC.

2007 STOCK PLAN

STOCK OPTION AGREEMENT

FOR EMPLOYEES RESIDENT IN INDIA

Unless otherwise defined herein, the terms defined in the 2007 Stock Plan and Appendix A thereto (the "Plan") shall have the same defined meanings in this Stock Option Agreement (the "Option Agreement").

I. NOTICE OF STOCK OPTION GRANT

Name: _____

Address: _____

_____

The undersigned Participant has been granted an Option to purchase Common Stock of the Company, subject to the terms and conditions of the Plan and this Option Agreement, as follows:

Date of Grant: _____

Vesting Commencement Date: _____

Exercise Price per Share: _____

Total Number of Shares Granted: _____

Total Exercise Price: _____

Type of Option: _____ Incentive Stock Option

X Nonstatutory Stock Option

Term/Expiration Date: _____

Vesting Schedule: This Option shall be exercisable, in whole or in part, according to the following vesting schedule:

Twenty five percent (25%) of the Shares subject to the Option shall vest on the corresponding day twelve (12) months from the Vesting Commencement Date and the remaining seventy five percent (75%) of the Shares subject to the Option shall vest in equal monthly installments over the next thirty six (36) months on the same day of each relevant month as the Vesting Commencement Date (or if there is no corresponding day, on the last day of the month), subject to Participant continuing to be a Service Provider through each such date.

Termination Period:

This Option shall be exercisable for three (3) months after Participant ceases to be a Service Provider, unless such termination is due to Participant's death or Disability, in which case this Option shall be exercisable for twelve (12) months after Participant ceases to be a Service Provider. Notwithstanding the foregoing sentence, in no event may this Option be exercised after the Term/Expiration Date as provided above and may be subject to earlier termination as provided in Section 11(c) of the Plan.

II. AGREEMENT

1. Grant of Option. The Administrator of the Company hereby grants to the Participant named in the Notice of Stock Option Grant in Part I of this Agreement ("Participant"), an option (the "Option") to purchase the number of Shares set forth in the Notice of Stock Option Grant, at the exercise price per Share set forth in the Notice of Stock Option Grant (the "Exercise Price"), and subject to the terms and conditions of the Plan, which is incorporated herein by reference. Subject to Section 19(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Option Agreement, the terms and conditions of the Plan shall prevail.

2. Exercise of Option.

(a) Right to Exercise. This Option shall be exercisable during its term in accordance with the Vesting Schedule set out in the Notice of Stock Option Grant and with the applicable provisions of the Plan and this Option Agreement.

(b) Compulsory Exercise. Upon the occurrence of the Compulsory Exercise Date, the Company shall send a notice that the Compulsory Exercise Date has occurred (the "Compulsory Notice") to the Participant's address as set forth in the books and records of the Company. The Participant shall have the duty to keep the Company apprised of any changes in the Participant's address. The Company shall have no duty to confirm any Participant's address, nor shall the Company have any liability if the Participant's address on the books and records of the Company is not correct (so long as the address was an address used by the Participant since the granting of the Award).

The Participant shall have such period of time as is determined by the Administrator from the date the Compulsory Notice is sent (the "Compulsory Election Period") by the Company to make an election with respect to this Option. The Participant may: 1) exercise the Option for cash, and pay any fringe benefit tax ("FBT") liability, discussed in Section 9 below, in cash or in Shares; 2) exercise the Option on a cashless basis (including by way of net exercise) and pay any FBT liability in cash or in Shares; or 3) elect not to exercise the Option, in which case this Option shall remain outstanding and subject to the terms and conditions of this Option Agreement.

If the Company does not receive any response to the Compulsory Notice from the Participant during the Compulsory Election Period, the Company shall automatically perform a cashless exercise on behalf of the Participant and shall pay any FBT liability out of Shares issued (the "Compulsory Shares"). Notwithstanding the foregoing sentence, in the event that the (A) FBT liability with respect to any Option is determined by the Administrator to be greater than the difference between the (i) Fair Market Value of the vested portion of the Shares subject to the Option and the (ii) total exercise price of the vested portion of the Shares subject to the Option (the "spread") and (B) the Company has not received any response from Participant following the Compulsory Election Period, the vested portion of the Option shall terminate and all Shares thereunder shall be forfeited to the Company. In the event of the Company's automatic cashless exercise following the Compulsory Election Period, the Company shall hold the Compulsory Shares for the benefit of the Participant for a period of five (5) years from the date of the cashless exercise. If the Compulsory Shares are not claimed by the Participant within such five (5) year period, such Compulsory Shares shall be deemed abandoned and shall be forfeited to the Company.

(c) Method of Exercise. This Option shall be exercisable by delivery of an exercise notice in the form attached as Exhibit A (the "Exercise Notice") or in a manner and pursuant to such procedures as the Administrator may determine, which shall state the election to exercise the Option, the number of Shares with respect to which the Option is being exercised, and such other representations and agreements as may be required by the Company. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares, together with any applicable tax withholding. This Option shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the aggregate Exercise Price, together with any applicable tax withholding.

No Shares shall be issued pursuant to the exercise of an Option unless such issuance and such exercise comply with Applicable Laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Participant on the date on which the Option is exercised with respect to such Shares.

3. Participant's Representations. In the event the Shares have not been registered under the Securities Act of 1933, as amended, at the time this Option is exercised, Participant shall, if required by the Company, concurrently with the exercise of all or any portion of this Option, deliver to the Company his or her Investment Representation Statement in the form attached hereto as Exhibit B.

4. Lock-Up Period. Participant hereby agrees that Participant shall not offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Common Stock (or other securities) of the Company or enter into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Common Stock (or other securities) of the Company held by Participant (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed one hundred eighty (180) days following the effective date of any registration statement of the Company filed under the Securities Act (or such other period as may be requested by the Company or the underwriters to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto).

Participant agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, Participant shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 4 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of said one hundred eighty (180) day (or other) period. Participant agrees that any transferee of the Option or shares acquired pursuant to the Option shall be bound by this Section 4.

5. Method of Payment. Subject to Section 2(b), payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Participant:

(a) cash;

(b) check;

(c) consideration received by the Company under a formal cashless exercise program adopted by the Company in connection with the Plan, including, without limitation, by way of a net exercise as the Administrator determines and if permitted by Applicable Laws; or

(d) surrender of other Shares which (i) if acquired either directly or indirectly from the Company, have been owned by Participant for at least the period required to avoid a charge to the Company's reported earnings, (ii) shall be valued at its Fair Market Value on the date of exercise, and (iii) must be owned free and clear of any liens, claims, encumbrances or security interests, if accepting such Shares, in the sole discretion of the Administrator, shall not result in any adverse accounting consequences to the Company.

6. Restrictions on Exercise. This Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such shares would constitute a violation of any Applicable Law.

7. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Participant only by Participant. The terms of the Plan and this Option Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of Participant.

8. Term of Option. This Option may be exercised only within the term set out in the Notice of Stock Option Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Option.

9. Tax Obligations.

(a) Tax Withholding. Participant agrees to make appropriate arrangements with the Company (or the Parent or Subsidiary employing or retaining Participant) for the satisfaction of all Federal, state, local and foreign income and employment tax withholding requirements applicable to the Option exercise. Participant acknowledges and agrees that the Company may refuse to honor the exercise and refuse to deliver the Shares if such withholding amounts are not delivered at the time of exercise.

(b) Fringe Benefit Tax. Subject to Section 2(b), and except as otherwise determined by the Administrator, Participant agrees to reimburse or pay the Company (or its Indian Subsidiary, as directed by the Indian Subsidiary) in full, any liability that the Company or its Indian Subsidiary incurs towards any FBT, social tax, or other Indian tax paid or payable in respect of the grant, vesting, delivery, or exercise of the Option or the underlying Shares, within the time and in the manner prescribed by the Company or its Indian Subsidiary. The Administrator may in its sole discretion determine whether the FBT with respect to the Option or its underlying Shares will be paid by selling a portion of vested Shares or by direct payment from the Participant to the Company, by withholding a number of Shares upon exercise with a Fair Market Value equal to the FBT liability, some other method, or by some combination thereof. Participant agrees to execute any additional documents requested by the Company or its Indian Subsidiary for the reimbursement of such taxes to the Company.

The Participant grants to the Company and its Indian Subsidiary the irrevocable authority, as agents of Participant and on his or her behalf, to sell, retain or procure the sale of sufficient Shares subject to the Option so that the net proceeds receivable by the Company or its Indian Subsidiary are as far as possible equal to but not less than the amount of any tax the Participant is liable for (including FBT reimbursement obligations pursuant to the preceding paragraph) and the Company or its Indian Subsidiary shall remit any balance to Participant.

Participant acknowledges and agrees that the Company may refuse to deliver Shares upon exercise of the Option if Participant has not made appropriate arrangements with the Company or its Indian Subsidiary to satisfy the FBT.

(c) Code Section 409A. Under Code Section 409A, an Option that vests after December 31, 2004 that was granted with a per Share exercise price that is determined by the Internal Revenue Service (the "IRS") to be less than the Fair Market Value of a Share on the date of grant (a "discount option") may be considered "deferred compensation." An Option that is a "discount option" may result in (i) income recognition by Participant prior to the exercise of the Option, (ii) an additional twenty percent (20%) federal income tax, and (iii) potential penalty and interest charges. The "discount option" may also result in additional state income, penalty and interest tax to the Participant. Participant acknowledges that the Company cannot and has not guaranteed that the IRS will agree that the per Share exercise price of this Option equals or exceeds the Fair Market Value of a Share on the date of grant in a later examination. Participant agrees that if the IRS determines that the Option was granted with a per Share exercise price that was less than the Fair Market Value of a Share on the date of grant, Participant shall be solely responsible for Participant's costs related to such a determination.

10. Entire Agreement; Governing Law. The Plan is incorporated herein by reference. The Plan and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to Participant's interest except by means of a writing signed by the Company and Participant. This Agreement is governed by the internal substantive laws but not the choice of law rules of Delaware.

11. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS OPTION OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Option subject to all of the terms and provisions thereof. Participant has reviewed the Plan and this Option in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option and fully understands all provisions of the Option. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Option. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT	ZSCALER, INC.
_____	_____
Signature	
Jay Chaudhry	
Print Name	
	Jay Chaudhry
	Print Name
	Chairman and CEO
	Title
_____	
Residence Address	

EXHIBIT A

2007 STOCK PLAN

EXERCISE NOTICE

Zscaler, Inc.
110 Baytech Drive, Suite 100
San Jose, CA 95134

Attention: Chief Financial Officer

1. Exercise of Option. Effective as of today, _____, ____, the undersigned ("Participant") hereby elects to exercise Participant's option (the "Option") to purchase _____ shares of the Common Stock (the "Shares") of Zscaler, Inc. (the "Company") under and pursuant to the 2007 Stock Plan (the "Plan") and the Stock Option Agreement dated _____, ____ (the "Option Agreement"). Participant's fringe benefit tax liability is _____ (the "FBT Liability").

2. Delivery of Payment. Participant herewith delivers to the Company the full purchase price of the Shares, as set forth in the Option Agreement, and any and all FBT Liability and withholding taxes due in connection with the exercise of the Option as follows:

Method of Exercise (check one)	**Payment of FBT Liability** (check one)
____ Cash	____ Cash
____ Cashless	____ Shares

3. Representations of Participant. Participant acknowledges that Participant has received, read and understood the Plan and the Option Agreement and agrees to abide by and be bound by their terms and conditions.

4. Rights as Stockholder. Until the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the Common Stock subject to an Award, notwithstanding the exercise of the Option. The Shares shall be issued to Participant as soon as practicable after the Option is exercised in accordance with the Option Agreement. No adjustment shall be made for a dividend or other right for which the record date is prior to the date of issuance except as provided in Section 11 of the Plan.

5. Company's Right of First Refusal. Before any Shares held by Participant or any transferee (either being sometimes referred to herein as the "Holder") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 5 (the "Right of First Refusal").

(a) Notice of Proposed Transfer. The Holder of the Shares shall deliver to the Company a written notice (the "Notice") stating: (i) the Holder's bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the bona fide cash price or other consideration for which the Holder proposes to transfer the Shares (the "Offered Price"), and the Holder shall offer the Shares at the Offered Price to the Company or its assignee(s).

(b) Exercise of Right of First Refusal. At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (c) below.

(c) Purchase Price. The purchase price ("Purchase Price") for the Shares purchased by the Company or its assignee(s) under this Section 5 shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of Directors of the Company in good faith.

(d) Payment. Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee), or by any combination thereof within thirty (30) days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(e) Holder's Right to Transfer. If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 5, then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, *provided* that such sale or other transfer is consummated within one hundred and twenty (120) days after the date of the Notice, that any such sale or other transfer is effected in accordance with any applicable securities laws and that the Proposed Transferee agrees in writing that the provisions of this Section 5 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(f) Exception for Certain Family Transfers. Anything to the contrary contained in this Section 5 notwithstanding, the transfer of any or all of the Shares during Participant's lifetime or on Participant's death by will or intestacy to Participant's immediate family or a trust for the benefit of Participant's immediate family shall be exempt from the provisions of this Section 5. "Immediate Family" as used herein shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section 5, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 5.

(g) Termination of Right of First Refusal. The Right of First Refusal shall terminate as to any Shares upon the earlier of (i) the first sale of Common Stock of the Company to the general public, or (ii) a Change in Control in which the successor corporation has equity securities that are publicly traded.

6. Tax Consultation. Participant understands that Participant may suffer adverse tax consequences as a result of Participant's purchase or disposition of the Shares. Participant represents that Participant has consulted with any tax consultants Participant deems advisable in connection with the purchase or disposition of the Shares and that Participant is not relying on the Company for any tax advice.

7. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Participant understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by the Company or by state or federal securities laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR, IN THE OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS IN COMPLIANCE THEREWITH.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND A RIGHT OF FIRST REFUSAL HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE EXERCISE NOTICE BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER FOR A PERIOD OF TIME FOLLOWING THE EFFECTIVE DATE OF THE UNDERWRITTEN PUBLIC OFFERING OF THE COMPANY'S SECURITIES SET FORTH IN AN AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF BY THE HOLDER PRIOR TO THE EXPIRATION OF SUCH PERIOD WITHOUT THE CONSENT OF THE COMPANY OR THE MANAGING UNDERWRITER.

(b) Stop-Transfer Notices. Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Exercise Notice, or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

8. Successors and Assigns. The Company may assign any of its rights under this Exercise Notice to single or multiple assignees, and this Exercise Notice shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Exercise Notice shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns.

9. Interpretation. Any dispute regarding the interpretation of this Exercise Notice shall be submitted by Participant or by the Company forthwith to the Administrator which shall review such dispute at its next regular meeting. The resolution of such a dispute by the Administrator shall be final and binding on all parties.

10. Governing Law; Severability. This Exercise Notice is governed by the internal substantive laws but not the choice of law rules, of Delaware. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Exercise Notice shall continue in full force and effect.

11. Entire Agreement. The Plan and Option Agreement are incorporated herein by reference. This Exercise Notice, the Plan, the Option Agreement and the Investment Representation Statement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant.

(signature page to follow)

Submitted by:	Accepted by:
PARTICIPANT	**ZSCALER, INC.**
Signature	By
Print Name	Jay Chaudhry Print Name
	Chairman and CEO Title
Address:	Address: 110 Baytech Drive, Suite 100 San Jose, CA 95134
	Date Received

EXHIBIT B

INVESTMENT REPRESENTATION STATEMENT

PARTICIPANT :
COMPANY : ZSCALER, INC.
SECURITY : COMMON STOCK
AMOUNT :
DATE :

In connection with the purchase of the above-listed Securities, the undersigned Participant represents to the Company the following:

(a) Participant is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Participant is acquiring these Securities for investment for Participant's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act").

(b) Participant acknowledges and understands that the Securities constitute "restricted securities" under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Participant's investment intent as expressed herein. In this connection, Participant understands that, in the view of the Securities and Exchange Commission, the statutory basis for such exemption may be unavailable if Participant's representation was predicated solely upon a present intention to hold these Securities for the minimum capital gains period specified under tax statutes, for a deferred sale, for or until an increase or decrease in the market price of the Securities, or for a period of one (1) year or any other fixed period in the future. Participant further understands that the Securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Participant further acknowledges and understands that the Company is under no obligation to register the Securities. Participant understands that the certificate evidencing the Securities shall be imprinted with any legend required under applicable state securities laws.

(c) Participant is familiar with the provisions of Rule 701 and Rule 144, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly from the issuer thereof, in a non-public offering subject to the satisfaction of certain conditions. Rule 701 provides that if the issuer qualifies under Rule 701 at the time of the grant of the Option to Participant, the exercise shall be exempt from registration under the Securities Act. In the event the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, ninety (90) days thereafter (or such longer period as any market stand-off agreement may require) the Securities exempt under Rule 701 may be resold, subject to the satisfaction of the applicable conditions specified by Rule 144, including in the case of affiliates (1) the availability of certain public information about the Company, (2) the amount of Securities being sold during any three (3) month period not exceeding specified limitations, (3) the resale being made in an unsolicited "broker's transaction", transactions directly with a "market maker" or "riskless principal transactions" (as those terms are defined under the Securities Exchange Act of 1934) and (4) the timely filing of a Form 144, if applicable.

In the event that the Company does not qualify under Rule 701 at the time of grant of the Option, then the Securities may be resold in certain limited circumstances subject to the provisions of Rule 144, which may require (i) the availability of current public information about the Company; (ii) the resale to occur more than a specified period after the purchase and full payment (within the meaning of Rule 144) for the Securities; and (iii) in the case of the sale of Securities by an affiliate, the satisfaction of the conditions set forth in sections (2), (3) and (4) of the paragraph immediately above.

(d) Participant further understands that in the event all of the applicable requirements of Rule 701 or 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption shall be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rules 144 or 701 shall have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk. Participant understands that no assurances can be given that any such other registration exemption shall be available in such event.

PARTICIPANT

_____

Signature

_____

Print Name

_____

Date

ZSCALER, INC.

2007 STOCK PLAN

STOCK OPTION AGREEMENT – FOR NON-U.S. RESIDENTS

Unless otherwise defined herein, the terms defined in the 2007 Stock Plan (the "Plan") shall have the same defined meanings in this Stock Option Agreement (the "Option Agreement").

I. NOTICE OF STOCK OPTION GRANT

Name:

Address:

The undersigned Participant has been granted an Option to purchase Common Stock of the Company, subject to the terms and conditions of the Plan and this Option Agreement, as follows:

Date of Grant:	
Vesting Commencement Date:	
Exercise Price per Share:	
Total Number of Shares Granted:	
Total Exercise Price:	
Type of Option:	NSO Nonstatutory Stock Option
Term/Expiration Date:	

Vesting Schedule:

To the extent permitted by Applicable Law, this Option shall be exercisable, in whole or in part, according to the following vesting schedule:

Twenty five percent (25%) of the Shares subject to the Option shall vest on the corresponding day twelve (12) months from the Vesting Commencement Date (or if there is no corresponding day in the relevant month, on the last day of the relevant month), and the remaining seventy five percent (75%) of the Shares subject to the Option shall vest in equal monthly installments over the next thirty six (36) months on the same day of each relevant month as the Vesting Commencement Date (or if there is no corresponding day, on the last day of the month), subject to Participant continuing to be a Service Provider through each such date.

Termination Period:

This Option shall be exercisable for three (3) months after Participant ceases to be a Service Provider, unless such termination is due to Participant's death or Disability, in which case this Option shall be exercisable for twelve (12) months after Participant ceases to be a Service Provider. Notwithstanding the foregoing sentence, in no event may this Option be exercised after the Term/Expiration Date as provided above and may be subject to earlier termination as provided in Section 11(c) of the Plan.

II. AGREEMENT

1. Grant of Option. The Administrator of the Company hereby grants to the Participant named in the Notice of Stock Option Grant in Part I of this Agreement ("Participant"), an option (the "Option") to purchase the number of Shares set forth in the Notice of Stock Option Grant, at the exercise price per Share set forth in the Notice of Stock Option Grant (the "Exercise Price"), and subject to the terms and conditions of the Plan, which is incorporated herein by reference. Subject to Section 19(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Option Agreement, the terms and conditions of the Plan shall prevail.

2. Exercise of Option.

(a) Right to Exercise. If permitted by Applicable Law, this Option shall be exercisable during its term in accordance with the Vesting Schedule set out in the Notice of Stock Option Grant and with the applicable provisions of the Plan and this Option Agreement.

(b) Method of Exercise. This Option shall be exercisable by delivery of an exercise notice in the form attached as Exhibit A (the "Exercise Notice") or in a manner and pursuant to such procedures as the Administrator may determine, which shall state the election to exercise the Option, the number of Shares with respect to which the Option is being exercised, and such other representations and agreements as may be required by the Company. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares, together with any applicable tax withholding. This Option shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the aggregate Exercise Price, together with any applicable tax withholding.

No Shares shall be issued pursuant to the exercise of an Option unless such issuance and such exercise comply with Applicable Laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Participant on the date on which the Option is exercised with respect to such Shares.

3. Participant's Representations. In the event the Shares have not been registered under the Securities Act of 1933, as amended, at the time this Option is exercised, Participant shall, if required by the Company, concurrently with the exercise of all or any portion of this Option, deliver to the Company his or her Investment Representation Statement in the form attached hereto as Exhibit B.

4. Lock-Up Period. Participant hereby agrees that Participant shall not offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Common Stock (or other securities) of the Company or enter into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Common Stock (or other securities) of the Company held by Participant (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed one hundred eighty (180) days following the effective date of any registration statement of the Company filed under the Securities Act (or such other period as may be requested by the Company or the underwriters to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto).

Participant agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, Participant shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 4 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of said one hundred eighty (180) day (or other) period. Participant agrees that any transferee of the Option or shares acquired pursuant to the Option shall be bound by this Section 4.

5. Method of Payment. Payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Participant:

(a) cash;

(b) check;

(c) consideration received by the Company under a formal cashless exercise program adopted by the Company in connection with the Plan; or

(d) surrender of other Shares which (i) if acquired either directly or indirectly from the Company, have been owned by Participant for at least the period required to avoid a charge to the Company's reported earnings, (ii) shall be valued at its Fair Market Value on the date of exercise, and (iii) must be owned free and clear of any liens, claims, encumbrances or security interests, if accepting such Shares, in the sole discretion of the Administrator, shall not result in any adverse accounting consequences to the Company.

6. Restrictions on Exercise. This Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such shares would constitute a violation of any Applicable Law.

7. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Participant only by Participant. The terms of the Plan and this Option Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of Participant.

8. Term of Option. This Option may be exercised only within the term set out in the Notice of Stock Option Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Option.

9. Tax Obligations.

(a) Tax Withholding. Regardless of any action the Company or Participant's employer (the "Employer") takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), Participant acknowledges that the ultimate liability for all Tax-Related Items legally due by him or her is and remains Participant's responsibility and that Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option grant, including the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (2) do not commit to structure the terms of the grant or any aspect of the Option to reduce or eliminate Participant's liability for Tax-Related Items.

Prior to exercise of the Option, Participant will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding and payment obligations of the Company and/or the Employer. In this regard, Participant authorizes the Company and/or the Employer to withhold all applicable Tax-Related Items legally payable by Participant from his or her wages or other cash compensation paid to Participant by the Company and/or the Employer or from proceeds of the sale of Shares. Alternatively, or in addition, if permissible under local law, the Company may, in its discretion, (1) sell or arrange for the sale of Shares that Participant acquires to meet the withholding obligation for Tax-Related Items, and/or (2) withhold in Shares, provided that the Company only withholds the amount of Shares necessary to satisfy the minimum withholding amount. Finally, Participant will pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of Participant's participation in the Plan or Participant's purchase of Shares that cannot be satisfied by the means previously described. The Company may refuse to honor the exercise and refuse to deliver the Shares if Participant fails to comply with his or her obligations in connection with the Tax-Related Items as described in this Section.

(b) Code Section 409A. To the extent Participant is or becomes subject to U.S. Federal income taxation, this subsection (b) shall apply. Under Code Section 409A, an Option that vests after December 31, 2004 that was granted with a per Share exercise price that is determined by the Internal Revenue Service (the "IRS") to be less than the Fair Market Value of a Share on the date of grant (a "discount option") may be considered "deferred compensation." An Option that is a "discount option" may result in (i) income recognition by Participant prior to the exercise of the Option, (ii) an additional twenty percent (20%) federal income tax, and (iii) potential penalty and interest charges. The "discount option" may also result in additional state income, penalty and interest tax to the Participant. Participant acknowledges that the Company cannot and has not guaranteed that the IRS will agree that the per Share exercise price of this Option equals or exceeds the Fair Market Value of a Share on the date of grant in a later examination. Participant agrees that if the IRS determines that the Option was granted with a per Share exercise price that was less than the Fair Market Value of a Share on the date of grant, Participant shall be solely responsible for Participant's costs related to such a determination.

10. Acknowledgements.

(a) Participant acknowledges receipt of a copy of the Plan (including any applicable appendixes or sub-plans thereunder) and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Option subject to all of the terms and provisions thereof. Participant has reviewed the Plan (including any applicable appendixes or sub-plans thereunder) and this Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option Agreement and fully understands all provisions of the Option. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Option Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated below.

(b) The Company (which may or may not be Participant's Employer) is granting the Option. The Company will administer the Plan from outside Participant's country of residence, and United States law will govern all Options granted under the Plan.

(c) Participant acknowledges that benefits and rights provided under the Plan are wholly discretionary and, although provided by the Company, do not constitute regular or periodic payments. Unless otherwise required by Applicable Law, the benefits and rights provided under the Plan are not to be considered part of Participant's salary or compensation for purposes of calculating any severance, resignation, redundancy or other end of service payments, vacation, bonuses, long-term service awards, indemnification, pension or retirement benefits, or any other payments, benefits or rights of any kind. Participant waives any and all rights to compensation or damages as a result of the termination of employment with the Company for any reason whatsoever insofar as those rights result or may result from:

(i) the loss or diminution in value of such rights under the Plan, or

(ii) Participant ceasing to have any rights under, or ceasing to be entitled to any rights under the Plan as a result of such termination.

(d) The grant of the Option, and any future grant of Options under the Plan is entirely voluntary, and at the complete discretion of the Company. Neither the grant of the Option nor any future grant of an Option by the Company will be deemed to create any obligation to grant any further Options, whether or not such a reservation is explicitly stated at the time of such a grant. The Company has the right, at any time to amend, suspend or terminate the Plan.

(e) The Plan will not be deemed to constitute, and will not be construed by Participant to constitute, part of the terms and conditions of employment, and the Company will not incur any liability of any kind to Participant as a result of any change or amendment, or any cancellation, of the Plan at any time.

(f) Participation in the Plan will not be deemed to constitute, and will not be deemed by Participant to constitute, an employment or labor relationship of any kind with the Company.

(g) In the event of termination of Participant's employment (whether or not in breach of local labor laws), Participant's right to receive the Option and vest in the Option under the Plan, if any, will terminate effective as of the date that Participant is no longer actively employed and will not be extended by any notice period mandated under local law (*e.g.*, active employment would not include a period of "garden leave" or similar period pursuant to local law); furthermore, in the event of termination of employment (whether or not in breach of local labor laws), Participant's right to exercise the Option after termination of employment, if any, will be measured by the date of termination of Participant's active employment and will not be extended by any notice period mandated under local law; the Administrator shall have the exclusive discretion to determine when Participant is no longer actively employed for purposes of his or her Option grant.

11. <u>Data Privacy</u>. By entering into this Option Agreement, and as a condition of the grant of the Option, Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her personal data as described in this document by and among, as applicable, the Employer, and Company and its Subsidiaries and affiliates for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.

Participant understands that the Company and the Employer, its Parent or any Subsidiary may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor, for the purpose of implementing, administering and managing the Plan ("Data"). Participant understands that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in Participant's country or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting Participant's local human resources representative. Participant authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing Participant's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom Participant may elect to deposit any shares of stock acquired upon exercise of the Option. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Participant's local human resources representative. Participant understands, however, that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

12. English Language. Participant has received the terms and conditions of this Option Agreement and any other related communications, and Participant consents to having received these documents in English. If Participant has received this Option Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

13. Entire Agreement; Governing Law. The Plan is incorporated herein by reference. The Plan and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to Participant's interest except by means of a writing signed by the Company and Participant. This Agreement is governed by the internal substantive laws but not the choice of law rules of Delaware.

14. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS OPTION OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Option subject to all of the terms and provisions thereof. Participant has reviewed the Plan and this Option in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option and fully understands all provisions of the Option. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Option. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT

Signature

Print Name

Residence Address

ZSCALER, INC.

By

Print Name

Title

EXHIBIT A

2007 STOCK PLAN

EXERCISE NOTICE

Zscaler, Inc.

Attention: Stock Administration

1. Exercise of Option. Effective as of today, _____, ____, the undersigned ("Participant") hereby elects to exercise Participant's option (the "Option") to purchase _____ shares of the Common Stock (the "Shares") of Zscaler, Inc. (the "Company") under and pursuant to the 2007 Stock Plan (the "Plan") and the Stock Option Agreement dated _____, ____ (the "Option Agreement").

2. Delivery of Payment. Participant herewith delivers to the Company the full purchase price of the Shares, as set forth in the Option Agreement, and any and all withholding taxes due in connection with the exercise of the Option.

3. Representations of Participant. Participant acknowledges that Participant has received, read and understood the Plan and the Option Agreement and agrees to abide by and be bound by their terms and conditions.

4. Rights as Stockholder. Until the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the Common Stock subject to an Award, notwithstanding the exercise of the Option. The Shares shall be issued to Participant as soon as practicable after the Option is exercised in accordance with the Option Agreement. No adjustment shall be made for a dividend or other right for which the record date is prior to the date of issuance except as provided in Section 11 of the Plan.

5. Company's Right of First Refusal. Before any Shares held by Participant or any transferee (either being sometimes referred to herein as the "Holder") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 5 (the "Right of First Refusal").

(a) Notice of Proposed Transfer. The Holder of the Shares shall deliver to the Company a written notice (the "Notice") stating: (i) the Holder's bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the bona fide cash price or other consideration for which the Holder proposes to transfer the Shares (the "Offered Price"), and the Holder shall offer the Shares at the Offered Price to the Company or its assignee(s).

(b) Exercise of Right of First Refusal. At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (c) below.

(c) Purchase Price. The purchase price ("Purchase Price") for the Shares purchased by the Company or its assignee(s) under this Section 5 shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of Directors of the Company in good faith.

(d) Payment. Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee), or by any combination thereof within thirty (30) days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(e) Holder's Right to Transfer. If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 5, then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, *provided* that such sale or other transfer is consummated within one hundred and twenty (120) days after the date of the Notice, that any such sale or other transfer is effected in accordance with any applicable securities laws and that the Proposed Transferee agrees in writing that the provisions of this Section 5 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(f) Exception for Certain Family Transfers. Anything to the contrary contained in this Section 5 notwithstanding, the transfer of any or all of the Shares during Participant's lifetime or on Participant's death by will or intestacy to Participant's immediate family or a trust for the benefit of Participant's immediate family shall be exempt from the provisions of this Section 5. "Immediate Family" as used herein shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section 5, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 5.

(g) Termination of Right of First Refusal. The Right of First Refusal shall terminate as to any Shares upon the earlier of (i) the first sale of Common Stock of the Company to the general public, or (ii) a Change in Control in which the successor corporation has equity securities that are publicly traded.

6. Tax Consultation. Participant understands that Participant may suffer adverse tax consequences as a result of Participant's purchase or disposition of the Shares. Participant represents that Participant has consulted with any tax consultants Participant deems advisable in connection with the purchase or disposition of the Shares and that Participant is not relying on the Company for any tax advice.

7. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Participant understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by the Company or by state or federal securities laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR, IN THE OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS IN COMPLIANCE THEREWITH.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND A RIGHT OF FIRST REFUSAL HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE EXERCISE NOTICE BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER FOR A PERIOD OF TIME FOLLOWING THE EFFECTIVE DATE OF THE UNDERWRITTEN PUBLIC OFFERING OF THE COMPANY'S SECURITIES SET FORTH IN AN AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF BY THE HOLDER PRIOR TO THE EXPIRATION OF SUCH PERIOD WITHOUT THE CONSENT OF THE COMPANY OR THE MANAGING UNDERWRITER.

(b) Stop-Transfer Notices. Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Exercise Notice, or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

8. Successors and Assigns. The Company may assign any of its rights under this Exercise Notice to single or multiple assignees, and this Exercise Notice shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Exercise Notice shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns.

9. Interpretation. Any dispute regarding the interpretation of this Exercise Notice shall be submitted by Participant or by the Company forthwith to the Administrator which shall review such dispute at its next regular meeting. The resolution of such a dispute by the Administrator shall be final and binding on all parties.

10. Governing Law; Severability. This Exercise Notice is governed by the internal substantive laws but not the choice of law rules, of Delaware. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Exercise Notice shall continue in full force and effect.

11. Entire Agreement. The Plan and Option Agreement are incorporated herein by reference. This Exercise Notice, the Plan, the Option Agreement and the Investment Representation Statement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant.

Submitted by:	Accepted by:
PARTICIPANT	**ZSCALER, INC.**
Signature	By
Print Name	Print Name
Address:	Title
	Date Received

EXHIBIT B

INVESTMENT REPRESENTATION STATEMENT

PARTICIPANT :

COMPANY : ZSCALER, INC.

SECURITY : COMMON STOCK

AMOUNT (shares) :

DATE :

In connection with the purchase of the above-listed Securities, the undersigned Participant represents to the Company the following:

(a) Participant is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Participant is acquiring these Securities for investment for Participant's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act").

(b) Participant acknowledges and understands that the Securities constitute "restricted securities" under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Participant's investment intent as expressed herein. In this connection, Participant understands that, in the view of the Securities and Exchange Commission, the statutory basis for such exemption may be unavailable if Participant's representation was predicated solely upon a present intention to hold these Securities for the minimum capital gains period specified under tax statutes, for a deferred sale, for or until an increase or decrease in the market price of the Securities, or for a period of one year or any other fixed period in the future. Participant further understands that the Securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Participant further acknowledges and understands that the Company is under no obligation to register the Securities. Participant understands that the certificate evidencing the Securities shall be imprinted with any legend required under applicable state securities laws.

(c) Participant is familiar with the provisions of Rule 701 and Rule 144, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly from the issuer thereof, in a non-public offering subject to the satisfaction of certain conditions. Rule 701 provides that if the issuer qualifies under Rule 701 at the time of the grant of the Option to Participant, the exercise shall be exempt from registration under the Securities Act. In the event the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, ninety (90) days thereafter (or such longer period as any market stand-off agreement may require) the Securities exempt under Rule 701 may be resold, subject to the satisfaction of certain of the conditions specified by Rule 144, including: (1) the resale being made through a broker in an unsolicited "broker's transaction" or in transactions directly with a market maker (as said term is defined under the Securities Exchange Act of 1934); and, in the case of an affiliate, (2) the availability of certain public information about the Company, (3) the amount of Securities being sold during any three (3) month period not exceeding the limitations specified in Rule 144(e), and (4) the timely filing of a Form 144, if applicable.

In the event that the Company does not qualify under Rule 701 at the time of grant of the Option, then the Securities may be resold in certain limited circumstances subject to the provisions of Rule 144, which requires the resale to occur not less than one (1) year after the later of the date the Securities were sold by the Company or the date the Securities were sold by an affiliate of the Company, within the meaning of Rule 144; and, in the case of acquisition of the Securities by an affiliate, or by a non-affiliate who subsequently holds the Securities less than two (2) years, the satisfaction of the conditions set forth in sections (1), (2), (3) and (4) of the paragraph immediately above.

(d) Participant further understands that in the event all of the applicable requirements of Rule 701 or 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption shall be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rules 144 or 701 shall have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk. Participant understands that no assurances can be given that any such other registration exemption shall be available in such event.

PARTICIPANT

_____

Signature

_____

Print Name

_____

Date

ZSCALER, INC.

EMPLOYEE INCENTIVE COMPENSATION PLAN

1. Purposes of the Plan. The Plan is intended to increase shareholder value and the success of the Company by motivating Employees to (a) perform to the best of their abilities, and (b) achieve the Company's objectives.

2. Definitions.

(a) "Actual Award" means as to any Performance Period, the actual award (if any) payable to a Participant for the Performance Period, subject to the Committee's authority under Section 3(d) to modify the award.

(b) "Affiliate" means any corporation or other entity (including, but not limited to, partnerships and joint ventures) controlled by the Company.

(c) "Board" means the Board of Directors of the Company.

(d) "Bonus Pool" means the pool of funds available for distribution to Participants. Subject to the terms of the Plan, the Committee establishes the Bonus Pool for each Performance Period.

(e) "Code" means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder will include such section or regulation, any valid regulation promulgated thereunder, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(f) "Committee" means the committee appointed by the Board (pursuant to Section 5) to administer the Plan. Unless and until the Board otherwise determines, the Board's Compensation Committee will be the Committee administering the Plan.

(g) "Company" means Zscaler, Inc., or any successor thereto.

(h) "Disability" means a permanent and total disability determined in accordance with uniform and nondiscriminatory standards adopted by the Committee from time to time.

(i) "Employee" means any executive, officer, or other employee of the Company or of an Affiliate, whether such individual is so employed at the time the Plan is adopted or becomes so employed subsequent to the adoption of the Plan.

(j) "Fiscal Year" means the fiscal year of the Company.

(k) "Participant" means as to any Performance Period, an Employee who has been selected by the Committee for participation in the Plan for that Performance Period.

(l) "Performance Period" means the period of time for the measurement of the performance criteria that must be met to receive an Actual Award, as determined by the Committee in its sole discretion. A Performance Period may be divided into one or more shorter periods if, for example, but not by way of limitation, the Committee desires to measure some performance criteria over 12 months and other criteria over 3 months.

(m) "Plan" means this Employee Incentive Compensation Plan, as set forth in this instrument (including any appendix hereto) and as hereafter amended from time to time.

(n) "Target Award" means the target award, at 100% of target level performance achievement, payable under the Plan to a Participant for the Performance Period, as determined by the Committee in accordance with Section 3(b).

3. Selection of Participants and Determination of Awards.

(a) Selection of Participants. The Committee, in its sole discretion, will select the Employees who will be Participants for any Performance Period. Participation in the Plan is in the sole discretion of the Committee, on a Performance Period by Performance Period basis. Accordingly, an Employee who is a Participant for a given Performance Period in no way is guaranteed or assured of being selected for participation in any subsequent Performance Period or Periods.

(b) Determination of Target Awards. The Committee, in its sole discretion, will establish a Target Award for each Participant (which may be expressed as a percentage of a Participant's average annual base salary for the Performance Period or a fixed dollar amount or such other amount or based on such other formula as the Committee determines).

(c) Bonus Pool. Each Performance Period, the Committee, in its sole discretion, will establish a Bonus Pool, which pool may be established before, during or after the applicable Performance Period. Actual Awards will be paid from the Bonus Pool.

(d) Discretion to Modify Awards. Notwithstanding any contrary provision of the Plan, the Committee may, in its sole discretion and at any time, (i) increase, reduce or eliminate a Participant's Actual Award, and/or (ii) increase, reduce or eliminate the amount allocated to the Bonus Pool. The Actual Award may be below, at or above the Target Award, in the Committee's discretion. The Committee may determine the amount of any increase, reduction or elimination on the basis of such factors as it deems relevant, and will not be required to establish any allocation or weighting with respect to the factors it considers.

(e) Discretion to Determine Criteria. Notwithstanding any contrary provision of the Plan, the Committee will, in its sole discretion, determine the performance goals (if any) applicable to any Target Award (or portion thereof) which may include, without limitation: attainment of research and development milestones, billings, bookings, business divestitures and acquisitions, cash flow, cash position, contract awards or backlog, customer-related measures, customer retention rates, business unit or division, earnings (which may include any calculation of earnings, including but not limited to earnings before interest and taxes, earnings before taxes, earnings before interest, taxes, depreciation and amortization, earnings before taxes and net earnings), earnings per share, employee retention, employee mobility, expenses, geographic expansion, gross margin, growth in stockholder value relative to the moving average of the S&P 500 Index or another index, hiring targets, internal rate of return, inventory turns, inventory levels, market share, milestone achievements, net billings, net income, net profit, net revenue margin, net sales, new customers, new product development, new product invention or innovation, number of customers, operating cash flow, operating expenses, operating income, operating margin, origination volume, overhead or other expense reduction, product defect measures, product development, product release timelines, productivity, profit, return on assets, return on capital, return on equity, return on investment, return on sales, revenue, revenue growth, sales efficiency, sales results, sales growth, stock price, time to market, total stockholder return, units sold (total and new), working capital, and individual objectives such as MBOs, peer reviews or other subjective or objective criteria. As determined by the Committee, the performance goals may be based on generally accepted accounting principles ("GAAP") or Non-GAAP results and any actual results may be adjusted by the Committee for one-time items, unbudgeted or unexpected items and/or payments of Actual Awards under the Plan when determining whether the performance goals have been met. The goals may be on the basis of any factors the Committee determines relevant, and may be on an individual, divisional, business unit, segment or Company-wide basis. Any criteria used may be measured on such basis as the Committee determines, including but not limited to, as applicable, (i) in absolute terms, (ii) in combination with another performance goal or goals (for example, but not by way of limitation, as a ratio or matrix), (iii) in relative terms (including, but not limited to, results for other periods, passage of time and/or against another company or companies or an index or indices), (iv) on a per-share basis, (v) against the performance of the Company as a whole or a segment of the Company and/or (vi) on a pre-tax or after-tax basis. The performance goals may differ from Participant to Participant and from award to award. Failure to meet the goals will result in a failure to earn the Target Award, except as provided in Section 3(d). The Committee also may determine that a Target Award (or portion thereof) will not have a performance goal associated with it but instead will be granted (if at all) in the sole discretion of the Committee.

4. Payment of Awards.

(a) Right to Receive Payment. Each Actual Award will be paid solely from the general assets of the Company. Nothing in this Plan will be construed to create a trust or to establish or evidence any Participant's claim of any right other than as an unsecured general creditor with respect to any payment to which he or she may be entitled.

(b) Timing of Payment. Payment of each Actual Award shall be made as soon as practicable after the end of the Performance Period to which the Actual Award relates and after the Actual Award is approved by the Committee, but in no event later than (i) the fifteenth (15th) day of the third (3rd) month of the Fiscal Year immediately following the Fiscal Year in which the Participant's Actual Award is first no longer is subject to a substantial risk of forfeiture, and (ii) March 15 of the calendar year immediately following the calendar year in which the Participant's Actual Award is first no longer is subject to a substantial risk of forfeiture. Unless otherwise determined by the Committee, to earn an Actual Award a Participant must be employed by the Company or any Affiliate on the date the Actual Award is paid.

It is the intent that this Plan be exempt from, or comply with, the requirements of Code Section 409A so that none of the payments to be provided hereunder will be subject to the additional tax imposed under Code Section 409A, and any ambiguities herein will be interpreted to be so exempt or so comply. Each payment under this Plan is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

(c) Form of Payment. Each Actual Award will generally be paid in cash (or its equivalent) in a single lump sum. The Committee reserves the right to settle an Actual Award with a grant of an equity award under the Company's then-current equity compensation plan.

(d) Payment in the Event of Death or Disability. If a Participant dies or becomes is terminated due to his or her Disability prior to the payment of an Actual Award the Committee has determined will be paid for a prior Performance Period, the Actual Award will be paid to his or her estate or to the Participant, as the case may be, subject to the Committee's discretion to reduce or eliminate any Actual Award otherwise payable.

5. Plan Administration.

(a) Committee is the Administrator. The Plan will be administered by the Committee. The Committee will consist of not less than two (2) members of the Board. The members of the Committee will be appointed from time to time by, and serve at the pleasure of, the Board.

(b) Committee Authority. It will be the duty of the Committee to administer the Plan in accordance with the Plan's provisions. The Committee will have all powers and discretion necessary or appropriate to administer the Plan and to control its operation, including, but not limited to, the power to (i) determine which Employees will be granted awards, (ii) prescribe the terms and conditions of awards, (iii) interpret the Plan and the awards, (iv) adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by Employees who are foreign nationals or employed outside of the United States, (v) adopt rules for the administration, interpretation and application of the Plan as are consistent therewith, and (vi) interpret, amend or revoke any such rules.

(c) Decisions Binding. All determinations and decisions made by the Committee, the Board, and any delegate of the Committee pursuant to the provisions of the Plan will be final, conclusive, and binding on all persons, and will be given the maximum deference permitted by law.

(d) Delegation by Committee. The Committee, in its sole discretion and on such terms and conditions as it may provide, may delegate all or part of its authority and powers under the Plan to one or more directors and/or officers of the Company.

(e) Indemnification. Each person who is or will have been a member of the Committee will be indemnified and held harmless by the Company against and from (i) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or any award, and (ii) from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her, provided he or she will give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification will not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or Bylaws, by contract, as a matter of law, or otherwise, or under any power that the Company may have to indemnify them or hold them harmless.

6. General Provisions.

(a) Tax Withholding. The Company will withhold all applicable taxes from any Actual Award, including any federal, state and local taxes (including, but not limited to, the Participant's FICA and SDI obligations).

(b) No Effect on Employment or Service. Nothing in the Plan will interfere with or limit in any way the right of the Company to terminate any Participant's employment or service at any time, with or without cause. Employment with the Company and its Affiliates is on an at-will basis only. For purposes of the Plan, transfer of employment of a Participant between the Company and any one of its Affiliates (or between Affiliates) will not be deemed a termination of employment. The Company expressly reserves the right, which may be exercised at any time and without regard to when during a Performance Period such exercise occurs, to terminate any individual's employment with or without cause, and to treat him or her without regard to the effect that such treatment might have upon him or her as a Participant.

(c) Participation. No Employee will have the right to be selected to receive an award under this Plan, or, having been so selected, to be selected to receive a future award.

(d) Successors. All obligations of the Company under the Plan, with respect to awards granted hereunder, will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business or assets of the Company.

(e) Nontransferability of Awards. No award granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will, by the laws of descent and distribution, or to the limited extent provided in Section 6(e). All rights with respect to an award granted to a Participant will be available during his or her lifetime only to the Participant.

7. Amendment, Termination, and Duration.

(a) Amendment, Suspension, or Termination. The Board and/or the Committee, in its sole discretion, may amend or terminate the Plan, or any part thereof, at any time and for any reason. The amendment, suspension or termination of the Plan will not, without the consent of the Participant, alter or impair any rights or obligations under any Actual Award theretofore earned by such Participant. No award may be granted during any period of suspension or after termination of the Plan.

(b) Duration of Plan. The Plan will commence on the date first adopted and/or ratified by the Board or the Compensation Committee of the Board, and subject to Section 7(a) (regarding the Board and/or the Committee's right to amend or terminate the Plan), will remain in effect thereafter.

8. Legal Construction.

(a) Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also will include the feminine; the plural will include the singular and the singular will include the plural.

(b) Severability. In the event any provision of the Plan will be held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as if the illegal or invalid provision had not been included.

(c) Requirements of Law. The granting of awards under the Plan will be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(d) Governing Law. The Plan and all awards will be construed in accordance with and governed by the laws of the State of California, but without regard to its conflict of law provisions.

(e) Bonus Plan. The Plan is intended to be a "bonus program" as defined under U.S. Department of Labor regulation 2510.3-2(c) and will be construed and administered in accordance with such intention.

(f) Captions. Captions are provided herein for convenience only, and will not serve as a basis for interpretation or construction of the Plan.

2018 Fiscal Year
Sales Compensation Plan

Plan Period: August 1, 2017 through July 31, 2018

Zscaler's Inc. together with its local affiliated companies' (the "Company" or "Zscaler") have created this 2018 Fiscal Year Sales Compensation Plan (the "Plan") to drive significant growth, increase Zscaler's market share, and give Zscaler's sales professionals the ability to maximize their earnings through increased sales performance.

I. Effective Date

The Plan is effective as of August 1, 2017, (the "Effective Date") and will be applicable to all sales activities subsequent to that date. The Plan and the Sales Compensation Plan Assignment and Acknowledgment Letter (the "Letter") signed by the Participant (as defined herein) contains the entire agreement between the Participant and Zscaler concerning the Participant's 2018 Fiscal Year sales compensation, and they supersede all prior sales compensation plans/programs of Zscaler and all other previous oral or written statements to the Participant regarding this subject. The Plan will be in effect until July 31, 2018, or until any earlier date on which it is terminated by Zscaler (the "Plan Period"). The Company has full discretion to roll out a new plan or no plan in future plan years.

II. Eligibility

All Zscaler quota-carrying sales employees are eligible to participate in this Plan. In order to become a Plan participant ("Participant") and earn sales compensation under the Plan, a quota-carrying sales employee must: (a) have received a Letter from Sales Management; (b) promptly execute and returned his/her Letter; and (c) have executed and returned to Human Resources a copy of the Company's current Employment Agreement (as applicable) and Confidential Information, Invention Assignment and Arbitration Agreement (if execution of such document is required in Participant's country). A Participant will not be eligible to receive any quota credit or earn any commissions under the Plan until (a)-(c) have occurred. A Participant will cease to participate in the Plan on the earlier of the date he/she no longer meets each of the criteria above or on the date he/she is no longer actively employed with the Company or is on notice of termination for any reason (subject to local laws).

III. Compensation

Participants will be eligible to receive the following sales compensation, which will typically be payable in the Participant's local currency:

A. **Base Salary** - Each Participant is paid his/her Base Salary either semi-monthly or monthly (depending on the location of Participant).

B. **Commissions –** Participants earn Commissions by closing sales transactions that generate customer paid revenue for Zscaler in the form of Annual Contract Value ("ACV", which is defined below). Commissions are based on a Participant's attainment of his/her Annual ACV Quota (defined below), and are calculated by multiplying the Participant's applicable commission rate times his/her actual quota attainment. Commissions do not become earned for a transaction until Zscaler receives full customer payment of the ACV on the transaction; however, the Company will pay recoverable advances against Commissions based on the invoicing of transactions as described below (subject to local laws).

IV. Definitions

A. **Annual Contract Value ("ACV")** ACV is the value of a sales contract that is billable in the first 12 months to an end user or partner for products and services sold by Zscaler minus any fees/amounts paid by Zscaler to resellers or solution providers, cancellations, service concessions, partner fees, partner commissions, referral fees, withholdings (such as taxes), and any other amounts such as buy-backs, ramping, one time credits or impact of free service months offered that reduces the Zscaler's receivables on each transaction. Zscaler at its sole discretion may compute ACV as per its corporate practices and policies which may change from time to time.

B. Annual On-Target Incentive ("OTI")

OTI is the annual "target" Commission portion of a Participant's compensation. A Participant's OTI is specified in his/her Letter, and may be pro-rated based upon his/her start date as a Participant. A Participant who attains 100% of his/her Annual Quota (which is paid in full by the customers) will earn his/her full OTI; attainment of more or less than a Participant's Annual Quota will result in earned Commissions of more or less than his/her full OTI respectively.

C. Annual Quota ("Quota")

Quota means the annual ACV sales quota for a Participant as detailed in his/her Letter. Quotas are set by sales management in its sole discretion based on relevant factors including, without limitation, historical and anticipated sales, business trends, and territory assessment.

D. Quota Credit

Quota Credit is the amount of ACV on a transaction closed by a Participant, which is credited toward the Participant's Quota attainment.

E. Base Commission Rate ("BCR")

Participants are paid Commissions based on their BCR on any Quota attainment up to 100%. Generally, BCR is a Participant's OTI divided by his/her Quota; however, in certain circumstances, the BCR may be a fixed percentage as determined by Zscaler. A Participant's BCR is set out in his/her Letter.

F. Accelerated Commission Rates ("ACR")

Participants who attain more than 100% of their Quota will be eligible to receive Commissions based on a higher (accelerated) commission rate on their Quota attainment in excess of 100%. ACRs are typically a factor of the BCR, but may also be a fixed percentage as determined by Zscaler. A Participant's ACR(s) is set out in his/her Letter.

G. Territory

Each Participant is assigned a specific Territory, which is described in his/her Letter. A Territory may be defined in one or more ways, including, without limitation, geography, named accounts, industries, products, or other categories. Participants will not receive any Quota Credit on, or earn any Commissions for, sales closed outside their Territory.

H. Channel Sourced

Channel Sourced Business is business driven from a channel partner. In order to receive any Quota Credit for Channel Sourced Business in his/her Territory, a Participant must have the deal registered and approved by sales management in Salesforce.com (to the channel partner) or other system as determined by Sales Operations before the transaction is closed.

I. Business

Business means New Customer, Upsell Customer, and/or Renewal Business.

J. New Customer

New Customer means the first sale of license subscriptions and premium support to a new customer. Transaction with a churned customer shall be considered 'New Customer' unless Zscaler had any transactions with that customer (or any group company of the customer) in the immediately preceding 6 months from the date of churn or service expiry date, whichever is later.

i. (Upsell Customer)

Upsell Customer means any of the following:

a. Sale of additional seats/subscriptions to an existing customer.

b. Sale of specific additional products to an existing customer.

c. Sale of upgraded services an existing customer.

In a case of simultaneous transaction of Renewal and Upsell Customer, the amount allocated to Upsell ACV is limited to the additional ACV over and above the ACV already being on existing subscriptions by the customer prior to the Upsell Business sale.

ii. Renewals

Renewal means an existing customer subscribes to the same/less number of seats for an amount equal to or more/less than the ACV for the prior year. This applies to all renewals (including term extensions) of existing subscriptions with no additional seats.

K. OEM Partners

Zscaler is engaged with various OEM Partners and may engage with other OEM partners. Orders through any such OEM Partners will not result in any Quota Credit or Commissions for a Participant.

NOTE TO SECTION IV: In the event of a sales transaction that is not described in Section IV (or elsewhere in the Plan), Zscaler management will determine, in its sole discretion, whether any Quota Credit or Commissions (or other compensation) will be awarded to any Participants involved in the transaction.

V. Quota Credit:

Quota Credit is only given for the ACV of each transaction booked by Zscaler

A. There is no Quota Credit given for second year onwards ACV on a multi-year deal. However, in order to encourage multi-year transactions, a Participant who closes a multi-year transaction will be paid a bonus at the "Multi-Year Rate" specified in the Participant's Letter (limited to second and third years of contract only). Such multi-year bonus will become earned only upon customer payment of the contract in full; however, the Company will pay the Participant an unearned advance against such bonus.

B. If the customer has an option to terminate the contract or lower the user count after the first year, the contract will be considered a one-year contract, and no multi-year bonus will be payable on the transaction. Zscaler will not record the booking as a multi-year booking considering the contingency attached with the future years.

C. Any Business with a term of less than 12 months will generate Quota Credit equal to the total contract amount, less the deductions listed in Section IV.A.

Quota Credit will be given to qualifying Participants at the end of the month in which the customer is invoiced for the transaction.

VI. Conditions for Quota Credit:

All of the following conditions must be satisfied in order for a Participant to receive Quota Credit on a transaction.

A. Customer order documentation is complete, with all of the following having been occurred:

- **i.** Credit application (where required) approved by Zscaler Finance;
- **ii.** The opportunity must be listed by the Participant in Salesforce.com with a quote using the Quote Tool;
- **iii.** The quote must have correct pricing and be approved as required;
- **iv.** The services on the sales order must be released as "Generally Available";
- **v.** The customer must have submitted a signed, valid, and unconditional sales agreement/contract/order in a form acceptable to Zscaler Finance and Legal;
- **vi.** The customer must have submitted any signed purchasing instrument (such as a purchase order or order form without any contingencies) required under the contract; and
- **vii.** Any purchase orders from a reseller/partner must have designated end-user information.
- **viii.** Where customer requires a valid PO to accept and process Zscaler's Invoice, quota credit shall be given from the date when valid PO is received and processed by Zscaler.

B. The customer is deemed credit worthy by Zscaler Finance, and customer payment(s) for the order must begin within 30 days per the Company's standard payment terms. Payment terms greater than 30 days are acceptable only if approved in writing by the Chief Revenue Officer and Finance or as provided explicitly in the agreement with the customer. If customer payment terms exceed 60 days, a Participant will not receive Quota Credit on the transaction until the end of the month in which the initial customer payment is made in accordance with the terms of the contract, unless specifically approved by Zscaler's revenue-ops team.

C. The start date for the Company's services must be within 30 days of Zscaler's issuance of the customer invoice. If the start date is more than 30 days out, Quota Credit will be given at the end of the month in which the services actually start.

D. For accounts where credit worthiness of the customer is deemed questionable by Zscaler, Company management may elect, in its sole discretion, to delay affected Participants' Quota Credit until the end of the month in which customer payment has been received in whole or in part.

E. Customer pre-payments to be applied against future sales that have not been contracted will not result in any Quota Credit.

F. Customer order cannot require the reseller to be paid before Zscaler.

G. There are no contract or other contingencies that may prevent Zscaler from recognizing revenue on the transaction. Such contingencies include, but are not limited to, refundable or non-guaranteed payment terms, future or specified upgrades or features, rights for product returns or exchanges, early termination rights, and extended payment terms that put the ultimate receipt of cash or recognition of revenue in doubt.

Zscaler reserves the right, in its sole discretion, to: (i) accept and reject customers and orders, (ii) set and modify price s and discounts for its products, and (iii) otherwise make all decisions with respect to Zscaler's business. Quota Credit will not be given for any rejected customers or orders.

VII. Earning Commissions and Payment of Commission Advances

As noted in Section III above, Commissions become earned on a transaction when Zscaler is paid in full by the customer for the transaction. However, Zscaler will pay Participants recoverable advances against Commissions that have not yet been earned as described in this Section.

A. Once the conditions listed in Section VI have been met, the customer will be invoiced for the transaction.

B. Once the transaction has been invoiced by Zscaler, Quota Credit for the transaction will be given to the eligible Participant(s) as described in Section V.

C. Commission advances will be payable to Participants at the end of the month following the month in which Quota Credit is given to the Participants as described in (ii).

D. Commission advances will become earned when customer payment on the underlying transaction is made in full; partial customer payment will result in only pro-rated earning of the applicable Commission advance.

E. Unearned Commission advances are recoverable by Zscaler from Participants as described in Section VIII (subject to local laws).

VIII. Repayment of Unearned Commission Advances/Reduction in Quota Credit

In the event that a transaction is cancelled/debooked in whole or in part, or a customer fails to make timely payment in full on a transaction ("timely payment" meaning within 60 days of the payment date(s) specified in the contract), the Commission advances paid on the cancelled/debooked/unpaid portion of the transaction will not become earned, and must be repaid to Zscaler by the Participant(s) to whom such advances were paid (subject to local laws). Repayment of any unearned Commission advances must be made by the Participant to Zscaler within 30 days, or at the Company's discretion (and if allowed by local law), Zscaler may offset any unearned Commission advances owed to the Company by a Participant against his/her future Commission advances under this Plan. The amount to be repaid will be the actual amount of the Commission advances paid to the Participant on the transaction that did not become earned, including any such amounts advanced based on ACRs.

If the transaction is cancelled/debooked/unpaid during the Plan Period, any Quota Credit that was given to a Participant on the cancelled/debooked/unpaid portion of the transaction will be reversed (subject to local laws).

IX. Participant Changes

Zscaler retains the right to enlarge, decrease, modify, or change a Participant's Territory, Quota, BCR, ACRs, or position at any time in its sole discretion, upon written/email notice to the affected Participant. Any such change will not affect the Participant's Quota Credit on transactions invoiced on or before the effective date of such change.

X. Participant Job Performance

A Participant's job performance is assessed by his/her manager, and may also be reviewed by other members of sales management. While Quota attainment is a key part of any such assessment, there are other factors that are important as well. These include, but are not limited to, the extent to which the Participant executes tasks as directed by his/her manager, his/her adherence to the Zscaler sales methodology, his/her opportunity forecasting, his/her overall work habits, his/her ability to work well with others, his/her compliance with Company policies, and the extent to which he/she is a team player. Each Participant's performance will be reviewed by his/her manager from time-to-time.

XI. Splits

Our territories are based on the headquarter location of an account as defined by Zscaler. If one or more Participants collaborate on a sale, the Quota Credit for the transaction may be split between the Participants. In no event will the total Quota Credit given on a "split" transaction exceed 100% of the available Quota Credit (as determined under Section V) for the transaction. The split will be based on the level of each Participant's involvement and effort in generating the sale as determined by sales management in its discretion.

A. *Intra-Theatre Splits***:** Zscaler's head of sales for each region will determine when a split should occur and the amount of such splits for two or more Participants that participate in a sale in each of their respective regions. Example: If two Participants located in different regions of the US participate in the selling and closing, the head of sales for US/Canada would determine the split.

B. *Inter-Theatre Splits***:** Alternatively, if one of the Participants was located in EMEA and the other located in APJ, the head of sales for EMEA and APJ would need to agree on the split. In case of any disputes, the CRO will make a final determination.

As soon as a Participant is aware of a sales opportunity outside of his/her Territory, or partially outside of his/her Territory (e.g. technical sale in one region and business sale in another region), he/she must notify the head of their region, who must in turn begin discussions with the head of the region sharing in the split. The final decision must be entered into the opportunity splits section in SalesForce.com BEFORE the customer order is received and processed to ensure timely payment to both Participants.

XII. Forecasting and Exceptional Deals

In order to help Zscaler properly set Quotas, compensate Participants fairly and equitably, and accurately track and forecast sales and revenues, all Participants are required to accurately, fully, and timely enter prospective sales opportunities in Salesforce.com. All opportunities/transactions must be accurately entered and maintained in Salesforce.com over the life of the opportunity/transaction (including, but not limited to, updating the amount of the opportunity/transaction and the anticipated closing date). In the event that a transaction is not properly forecasted, or if any of the following situations occur, Zscaler management will review the transaction, and may determine, in its discretion and without prior notice, to modify, limit, reduce, or eliminate the affected Participant's Quota Credit on the transaction:

A. actual timing of the transaction is more than two quarters earlier/later than what is reflected in Salesforce.com

B. transaction ACV is > 25% of Participant's Quota

C. transaction ACV is greater than $1 Million

XIII. Draws and Guarantees.

A Recoverable or Non-recoverable draw and guarantee payments are a compensation payment made to a Sales employee regardless of whether the employee is achieving quota target. The terms of any Draw/ Guarantee provided to a Sales employee will be described in separate agreement provided to the Sales employee.

XIV. Quarterly Incentives

Some compensation plans may be eligible for the Quarterly Incentives. New hires or sales people moving into a new role/territory become eligible for the Quarterly Incentives upon commencement of their first full Zscaler fiscal quarter of employment at Zscaler or in the new role/territory. For example, if an employee is hired or enters a new role/territory on March 17th they first become eligible in the fiscal quarter commencing on May 1st. The sales person must be employed and in the role/territory during the entire fiscal quarter to be eligible for the Quarterly Incentives. The Quarterly Incentives are generally paid the last day of the month following the month the objective was achieved. Details can be found in your personal Sales Compensation plan.

XV. SPIFFs

SPIFFs are periodic sales contests that provide an opportunity to earn additional compensation above and beyond the basic commission plan. Sales management will announce SPIFFs throughout the year as appropriate. Exited participants must have become eligible for the SPIFF on or before their last date of employment.

XVI. Termination of Employment

A Participant will cease to participate in the Plan on the date he/she is no longer actively employed with the Company or is on notice of termination for any reason (subject to local laws). Once a Participant's employment with the Company is terminated or he/she is under notice of termination for any reason or no reason, whether voluntary or involuntary, and whether with or without "Cause" (as defined below): (a) the Participant will not receive any Quota Credit on transactions that are invoiced after the earlier of his/her termination date or the date on which Participant's notice of termination was issued (subject to local laws), and (b) the Participant will no longer be entitled to any Commission advances. The Participant will be paid any Commissions that he/she earns on transactions that are invoiced on or before the earlier of his/her termination date or the date on which their notice of termination was issued (subject to local laws) as they become earned (upon receipt of customer payment). Following his/her termination date, Commission payments will be subject to offset as described in Section VIII (subject to local laws). For the purposes of this Plan "Cause" includes, for example, gross neglect of duties, material breach of applicable Company policies and procedures, or any other act of gross misconduct subject to applicable local laws.

XVII. Service Cancelation/Product Returns

In the event of a request for a service cancelation/product return, the CFO and the CRO should be notified immediately to authorize such a return.

XVIII. Ethical Standards

No Participant shall enter into any agreement, plan, or understanding, express or implied, with any third party, including customers or competitors, with regard to prices, terms, or conditions of sales, distribution, Territories or customers, nor exchange or discuss in any manner with any such third party, prices or terms or conditions of sale or engage in any other conduct which violates: (a) any applicable local and national laws and regulations including anti-bribery, anti-trust, and export laws; and/or (b) any applicable Zscaler policies and ethical standards.

A Participant shall not pay, offer to pay, assign or give any part of his or her compensation or anything else of value to any agent, customer, partner, supplier or representative of any customer or supplier, or to any other person as an inducement or reward for assistance in making a sale.

A Participant shall not enter into any side letter agreements with a customer, or make commitments to a customer, which are outside the written contractual provisions entered into between the customer and Zscaler.

Any breach of this Section, or any other unethical or unlawful conduct, will subject a Participant to disciplinary action up to and including termination, and/or to the loss of any Quota Credit and Commissions on any transactions that do not comply with these requirements.

XIX. Errors and Adjustments

If a Participant believes that an error has been made in the calculation of his/her Quota Credit and/or Commissions, he/she should bring that matter to the attention of his/her manager within 30 days of becoming aware of the error so that the calculation can be promptly reviewed, and if necessary, corrected. In the event that an error is discovered, correction of the error will occur in a timely manner. If the error resulted in an overpayment to the Participant, the Participant must promptly repay the overpayment to Zscaler; in the alternative, to the extent allowed by local law, the Company may deduct the amount of the overpayment from future Commission advances due to the Participant.

XX. Employment

Subject to any contrary provision of local law, or to any contrary written agreement between a Participant and Zscaler, the employment of all Participants is “at will” and is terminable by either the Participant or the Company at any time, with or without Cause or notice. This Plan does not create a contract of employment for any specified period of time between Zscaler and any Participant. In addition, payment(s) made in any year is no guarantee of payment(s) in future years.

XXI. Plan Changes

Subject to any contrary provision of local law, Zscaler reserves the right to modify, amend, suspend, and/or terminate this Plan at any time. The Company will provide affected Participants with prior written or email notice of that amendment, modification, suspension, or termination. Such changes will not amount to an act or omission which entitles the Participant to assert that his/her terms of employment have been breached and to bring his/her employment to an end with or without notice.

XXII. Choice of Law/Severability

For U.S. based Participants, this Plan shall be governed by and construed in accordance with the laws of the State in which the eligible Participant resides. For Participants employed outside the U.S., this Plan shall be governed by and construed in accordance with the laws of the jurisdiction that are applicable to the affected Participant's employment contract with Zscaler (or, if he/she has no employment contract, to the employment relationship between Zscaler and the affected Participant). If any provision or obligation in this Plan is determined to be invalid, ineffective, or unenforceable, the validity, effectiveness and enforceability of the remaining provisions and obligations shall not in any way be affected or impaired and shall remain in full force and effect (subject to local laws).

To the extent that any Plan terms or conditions conflict with any governing law described in the previous paragraph, the Plan shall be interpreted in a manner that complies with such governing law for Participants covered by that law.

XXIII. Dispute Resolution

In the event of any disputes concerning this Plan or its interpretation, including, without limitation, any disputes regarding Territories, Quotas, Quota Credit, splits, or Commissions, such disputes shall be resolved by Zscaler's CRO and CFO in their sole discretion.

XXIV. Acknowledgment of Terms

By signing his/her Letter, each Participant acknowledges that he/she has read, understands, and agreed to the terms and conditions of the Zscaler 2018 Fiscal Year Sales Compensation Plan. The Plan and the Letter set forth the entire agreement and understanding between Zscaler and the Participant relating to his/her sales compensation, and those documents supersede and replace any and all prior plans, agreements, discussions and understandings, whether oral or written, regarding the Participant's sales compensation.

ZSCALER, INC.

Change of Control and Severance Policy

This Change of Control and Severance Policy (the "**Policy**") is designed to provide certain protections to a select group of key employees of **Zscaler, Inc.** ("**Zscaler**" or the "**Company**") or any of its subsidiaries in connection with a change of control of **Zscaler** or in connection with the involuntary termination of their employment under the circumstances described in this Policy. The Policy is designed to be an "employee welfare benefit plan" (as defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")), and this document is both the formal plan document and the required summary plan description for the Policy.

Term: This Policy and/or any Participation Agreement (as defined below) executed by an Eligible Employee may not be terminated with respect to such Eligible Employee without the written consent of an Eligible Employee and the approval of the Administrator (as defined below). This Policy and/or any Participation Agreement executed by an Eligible Employee may be modified, amended or superseded with respect to such Eligible Employee only by a supplemental written agreement between an Eligible Employee and the Company approved by the Administrator. Notwithstanding any other provision of the Policy to the contrary, the Administrator may, in its sole and absolute discretion and without the consent of any Eligible Employee, amend the Policy or any Participation Agreement, to take effect retroactively or otherwise, as it deems necessary for the purpose of conforming the Policy or such Participation Agreement to any present or future law relating to plans of this or similar nature (including, but not limited to, Section 409A of the Code and to the administrative regulations and rulings promulgated thereunder).

Eligible Employee: An individual is only eligible for protection under this Policy if he or she is an Eligible Employee and complies with its terms (including any terms in the employee's Participation Agreement (as defined below)). To be an "**Eligible Employee**," an employee must (a) have been designated by the Compensation Committee of the Board (the "**Compensation Committee**") as eligible to participate in the Policy and (b) have executed a participation agreement in the form attached hereto as Exhibit A (a "**Participation Agreement**").

Policy Benefits: An Eligible Employee will be eligible to receive the payments and benefits set forth in this Policy and his or her Participation Agreement if his or her employment with the Company or any of its subsidiaries terminates as a result of a Qualified Termination. All benefits under this Policy payable on a Qualified Termination will be subject to the Eligible Employee's compliance with the Release Requirement and any timing modifications required to avoid adverse taxation under Section 409A.

Equity Vesting: On a Qualified Termination, the applicable percentage (set forth in an Eligible Employee's Participation Agreement) of the then-unvested shares subject to each of the Eligible Employee's then-outstanding equity awards will immediately vest and, in the case of options and stock appreciation rights, will become exercisable (for avoidance of doubt, no more than 100% of the shares subject to the outstanding portion of an equity award may vest and become exercisable under this provision). In the case of equity awards with performance-based vesting, all performance goals and other vesting criteria will be deemed achieved at the applicable percentage (set forth in the Eligible Employee's Participation Agreement) of target levels. Any restricted stock units, performance shares, performance units, and/or similar full value awards that vest under this paragraph will be settled on the 61st day following the Eligible Employee's Qualified Termination.

Salary Severance: On a Qualified Termination, an Eligible Employee will be eligible to receive salary severance payment(s) equal to the applicable percentage (set forth in his or her Participation Agreement) of his or her Base Salary. The Eligible Employee's salary severance payment(s) will be paid in cash at the time(s) specified in his or her Participation Agreement.

Bonus Severance: On a Qualified Termination, an Eligible Employee will be eligible to receive bonus severance payment(s) with respect to his or her annual bonus in the amount set forth in his or her Participation Agreement. The Eligible Employee's bonus severance payment(s) will be paid in cash at the time(s) specified in his or her Participation Agreement.

Health Benefit Payment: On a Qualified Termination, an Eligible Employee will be eligible to receive a health benefit severance(s) payments equal to $3,000 per month for the period set forth in his or her Participation Agreement.

Accrued Obligations. An Eligible Employee is entitled to receive the following benefits regardless of whether a Release (as defined below) is signed by the Eligible Employee: (a) all unpaid salary, commissions, bonuses and accrued but unused vacation earned through the date of Eligible Employee's Qualified Termination; (b) reimbursement in accordance with the Company's expense reimbursement policy of all expenses reasonably and necessarily incurred by Eligible Employee in connection with the business of the Company prior to his or her Qualified Termination; and (c) the benefits, if any, under any Company retirement plan, nonqualified deferred compensation plan or stock-based compensation plan or agreement, welfare benefits plan or other Company benefit plan to which an Eligible Employee may be entitled pursuant to the terms of such plans or agreements.

Death of Eligible Employee: If the Eligible Employee dies before all payments or benefits he or she is entitled to receive under this Policy have been paid, such unpaid amounts will be paid to his or her designated beneficiary, if living, or otherwise to his or her personal representative in a lump-sum payment as soon as possible following his or her death.

Recoupment: If the Company discovers after the Eligible Employee's receipt of payments or benefits under this Policy that grounds for the termination of the Eligible Employee's employment for Cause existed, then the Eligible Employee will not receive any further payments or benefits under this Policy and, to the extent permitted under applicable laws, will be required to repay to the Company any payments or benefits he or she received under the Policy (or any financial gain derived from such payments or benefits).

Release: The Eligible Employee's receipt of any severance payments or benefits upon his or her Qualified Termination under this Policy is subject to the Eligible Employee signing and not revoking a release of claims in a form substantially similar to release attached hereto as Exhibit B, subject to such changes as required by law (the "**Release**" and such requirement, the "**Release Requirement**"), which must become effective and irrevocable no later than the 60th day following the Eligible Employee's Qualified Termination (the "**Release Deadline**"), unless failure to become effective and irrevocable results from action or inaction by the Company in which case the Release Deadline will be automatically extended. If the Release does not become effective and irrevocable by the Release Deadline, the Eligible Employee will forfeit any right to severance payments or benefits under this Policy. In no event will severance payments or benefits under the Policy be paid or provided until the Release actually becomes effective and irrevocable. Notwithstanding any other payment schedule set forth in this Policy or the Eligible Employee's Participation Agreement, none of the severance payments and benefits payable upon such Eligible Employee's Qualified Termination under this Policy will be paid or otherwise provided prior to the 60th day following the Eligible Employee's Qualified Termination. Except as otherwise set forth in an Eligible Employee's Participation Agreement or to the extent that payments are delayed under the paragraph below entitled "Section 409A," on the first regular payroll pay day following the 60th day following the Eligible Employee's Qualified Termination, the Company will pay or provide the Eligible Employee the severance payments and benefits that the Eligible Employee would otherwise have received under this Policy on or prior to such date, with the balance of such severance payments and benefits being paid or provided as originally scheduled.

Section 409A: The Company intends that all payments and benefits provided under this Policy or otherwise are exempt from, or comply with, the requirements of Section 409A of the Code and any guidance promulgated thereunder (collectively, "**Section 409A**") so that none of the payments or benefits will be

subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted in accordance with this intent. No payment or benefits to be paid to an Eligible Employee, if any, under this Policy or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the "**Deferred Payments**") will be paid or otherwise provided until such Eligible Employee has a "separation from service" within the meaning of Section 409A. If, at the time of the Eligible Employee's termination of employment, the Eligible Employee is a "specified employee" within the meaning of Section 409A, then the payment of the Deferred Payments will be delayed to the extent necessary to avoid the imposition of the additional tax imposed under Section 409A, which generally means that the Eligible Employee will receive payment on the first payroll date that occurs on or after the date that is 6 months and 1 day following his or her termination of employment. The Company reserves the right to amend the Policy as it deems necessary or advisable, in its sole discretion and without the consent of any Eligible Employee or any other individual, to comply with any provision required to avoid the imposition of the additional tax imposed under Section 409A or to otherwise avoid income recognition under Section 409A prior to the actual payment of any benefits or imposition of any additional tax. Each payment, installment, and benefit payable under this Policy is intended to constitute a separate payment for purposes of U.S. Treasury Regulation Section 1.409A-2(b)(2). In no event will the Company reimburse any Eligible Employee for any taxes that may be imposed on him or her as a result of Section 409A.

Parachute Payments:

Reduction of Severance Benefits. Notwithstanding anything set forth herein to the contrary, if any payment or benefit that an Eligible Employee would receive from the Company or any other party whether in connection with the provisions herein or otherwise (the "**Payment**") would (a) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "**Code**"), and (b) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then such Payment will be equal to the Best Results Amount. The "**Best Results Amount**" will be either (x) the full amount of such Payment or (y) such lesser amount as would result in no portion of the Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local employment taxes, income taxes and the Excise Tax, results in the Eligible Employee's receipt, on an after-tax basis, of the greater amount notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting parachute payments is necessary so that the Payment equals the Best Results Amount, reduction will occur in the following order: reduction of cash payments; cancellation of accelerated vesting of stock awards; reduction of employee benefits. In the event that acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of the Eligible Employee's equity awards unless the Eligible Employee elects in writing a different order for cancellation. The Eligible Employee will be solely responsible for the payment of all personal tax liability that is incurred as a result of the payments and benefits received under this Policy, and the Eligible Employee will not be reimbursed by the Company for any such payments. While the Company is not publicly traded, the Company shall use its reasonable best efforts to seek shareholder approval in accordance with the requirements of Section 280G(b)(5) of the Code (and the regulations promulgated thereunder) in order for the Payments to be exempt from the definition of "parachute payment" under Section 280G.

Determination of Excise Tax Liability. The Company will select a professional services firm to make all of the determinations required to be made under these paragraphs relating to parachute payments. The Company will request that firm provide detailed supporting calculations both to the Company and the Eligible Employee prior to the date on which the event that triggers the Payment occurs if administratively feasible, or subsequent to such date if events occur that result in parachute payments to the Eligible Employee at that time. For purposes of making the calculations required under these paragraphs relating to parachute payments, the firm may make reasonable assumptions

and approximations concerning applicable taxes and may rely on reasonable, good faith determinations concerning the application of the Code. The Company and the Eligible Employee will furnish to the firm such information and documents as the firm may reasonably request in order to make a determination under these paragraphs relating to parachute payments. The Company will bear all costs the firm may reasonably incur in connection with any calculations contemplated by these paragraphs relating to parachute payments. Any such determination by the firm will be binding upon the Company and the Eligible Employee, and the Company will have no liability to the Eligible Employee for the determinations of the firm.

Administration: The Policy will be administered by the Compensation Committee (or the Board of Directors if no Compensation Committee has been approved) or its delegate (in each case, an "**Administrator**"). The Administrator will have full discretion to administer and interpret the Policy. Any decision made or other action taken by the Administrator with respect to the Policy and any interpretation by the Administrator of any term or condition of the Policy, or any related document, will be conclusive and binding on all persons and be given the maximum possible deference allowed by law. The Administrator is the "plan administrator" of the Policy for purposes of ERISA and will be subject to the fiduciary standards of ERISA when acting in such capacity.

Attorneys Fees: The Company and each Eligible Employee will bear their own attorneys' fees incurred in connection with any disputes between them.

Exclusive Benefits: Except as may be set forth in an Eligible Employee's Participation Agreement, this Policy is intended to be the only agreement between the Eligible Employee and the Company regarding any change of control or severance payments or benefits, including any acceleration of equity, to be paid to the Eligible Employee on account of a termination of employment concurrent with, or following, a Change of Control. Accordingly, by executing a Participation Agreement, an Eligible Employee hereby forfeits and waives any rights to any severance or change of control benefits related to a Change of Control set forth in any employment agreement, offer letter, and/or equity award agreement, except as set forth in this Policy and in the Eligible Employee's Participation Agreement. Notwithstanding the forgoing sentence, if the Company fails to provide the benefits to an Eligible Employee set forth in this Policy and the Eligible Employee's Participation Agreement upon a Qualified Termination, such agreement to forfeit and waiver of rights by such Eligible Employee will be null and void. In addition, nothing in this Policy will cancel or reduce any payments to the Eligible Employee or discharge any obligations of the Company under any indemnification agreement between the Eligible Employee and the Company.

Tax Withholding: All payments and benefits under this Policy will be paid less applicable withholding taxes. The Company is authorized to withhold from any payments or benefits all federal, state, local and/or foreign taxes required to be withheld therefrom and any other required payroll deductions. The Company will not pay any Eligible Employee's taxes arising from or relating to any payments or benefits under this Policy.

Amendment or Termination: The Board or the Compensation Committee may amend or terminate the Policy at any time, without advance notice to any Eligible Employee or other individual and without regard to the effect of the amendment or termination on any Eligible Employee or on any other individual. Notwithstanding the preceding sentence, no amendment or termination of the Policy will be made if such amendment or reduction would reduce the benefits provided hereunder or impair an Eligible Employee's eligibility under the Policy (unless the affected Eligible Employee consents to such amendment or termination), except that the Board or the Compensation Committee may unilaterally and without consent of any Eligible Employee make any such amendments that are necessary to comply with applicable laws. For clarity, an action by the Administrator not to renew the Policy in accordance with the term provision above will not be an action that requires an Eligible Employee's consent. Any action to amend or terminate the Policy will be taken in a non-fiduciary capacity.

Claims Procedure: Any Eligible Employee who believes he or she is entitled to any payment under the Policy may submit a claim in writing to the Administrator. If the claim is denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Policy on which the denial is based. The notice will also describe any additional information needed to support the claim and the Policy's procedures for appealing the denial. The denial notice will be provided within 90 days after the claim is received. If special circumstances require an extension of time (up to 90 days), written notice of the extension will be given within the initial 90-day period. This notice of extension will indicate the special circumstances requiring the extension of time and the date by which the Administrator expects to render its decision on the claim.

Appeal Procedure: If the claimant's claim is denied, the claimant (or his or her authorized representative) may apply in writing to the Administrator for a review of the decision denying the claim. Review must be requested within 60 days following the date the claimant received the written notice of their claim denial or else the claimant loses the right to review. The claimant (or representative) then has the right to review and obtain copies of all documents and other information relevant to the claim, upon request and at no charge, and to submit issues and comments in writing. The Administrator will provide written notice of the decision on review within 60 days after it receives a review request. If additional time (up to 60 days) is needed to review the request, the claimant (or representative) will be given written notice of the reason for the delay. This notice of extension will indicate the special circumstances requiring the extension of time and the date by which the Administrator expects to render its decision. If the claim is denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Policy on which the denial is based. The notice will also include a statement that the claimant will be provided, upon request and free of charge, reasonable access to, and copies of, all documents and other information relevant to the claim and a statement regarding the claimant's right to bring an action under Section 502(a) of ERISA.

Successors: Any successor to the Company of all or substantially all of the Company's business and/or assets (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or other transaction) will assume the obligations under the Policy and agree expressly to perform the obligations under the Policy in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under the Policy, the term "Company" will include any successor to the Company's business and/or assets which becomes bound by the terms of the Policy by operation of law, or otherwise.

Applicable Law: The provisions of the Policy will be construed, administered, and enforced in accordance with ERISA and, to the extent applicable, the internal substantive laws of the state of **California** (but not its conflict of laws provisions).

Definitions: Unless otherwise defined in an Eligible Employee's Participation Agreement, the following terms will have the following meanings for purposes of this Policy and the Eligible Employee's Participation Agreement:

"**Base Salary**" means the greatest amount of (a) the Eligible Employee's annual base salary as in effect immediately prior to his or her Qualified Termination; (b) if the termination is due to a resignation for Good Reason based on a material reduction in base salary, then the Eligible Employee's annual base salary in effect immediately prior to such reduction; or (c) at the level in effect immediately prior to the Change of Control.

"**Board**" means the Board of Directors of the Company.

"**Cause**" means (i) an act of dishonesty made by Eligible Employee which negatively impacts the Eligible Employee's fulfillment of his or her responsibilities as an executive of the Company; (ii) Eligible Employee's conviction of, or plea of nolo contendere to, a felony or any crime involving fraud or embezzlement; (iii) Eligible Employee's gross misconduct which injures the Company; (iv) Eligible Employee's unauthorized use or disclosure of any material proprietary information or

trade secrets of the Company or any other party to whom Eligible Employee owes an obligation of nondisclosure as a result of Eligible Employee's relationship with the Company; (v) Eligible Employee's willful breach of any material obligations under any written agreement or covenant with the Company which injures the Company; (vi) Eligible Employee's failure to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested Eligible Employee's cooperation; or (vii) Eligible Employee's continued failure to perform Eligible Employee's material employment duties after Eligible Employee has received a written demand of performance from the Company which specifically sets forth the factual basis for the Company's belief that Eligible Employee has not substantially performed his material duties and has failed to cure such non-performance to the Company's satisfaction within 10 business days after receiving such notice.

"**Change of Control**" means the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("**Person**"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, the acquisition of additional stock by any one Person, who is considered to own more than fifty percent 50% of the total voting power of the stock of the Company will not be considered a Change in Control; or

(ii) A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this clause (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this clause (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, 50% or more of the total value or power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this clause (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change of Control unless the transaction qualifies as a change in control event within the meaning of Code Section 409A, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

Further and for the avoidance of doubt, a transaction will not constitute a Change of Control if: (i) its sole purpose is to change the state of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

"**Change of Control Period**" will mean the period beginning upon a Change of Control and ending 12 months following a Change of Control.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Disability**" means the total and permanent disability as defined in Section 22(e)(3) of the Code unless the Company maintains a long-term disability plan at the time of the Eligible Employee's termination, in which case, the determination of disability under such plan also will be considered "Disability" for purposes of this Policy.

"**Effective Date**" means the date this Policy was approved by the Board.

"**Exchange Act**" means the Securities and Exchange Act of 1934, as amended.

"**Good Reason**" means the Eligible Employee's termination of his or her employment in accordance with the next sentence after the occurrence of one or more of the following events without the Eligible Employee's express written consent: (a) a material reduction by the Company in the Eligible Employee's rate of annual base salary; provided, however, that, a one-time reduction of annual base salary of not more than 10% that also applies to substantially all other similarly situated executives of the Company will not constitute "Good Reason" or (b) a material change in the geographic location of the Eligible Employee's primary work facility or location; provided, that a relocation of less than 30 miles from the Eligible Employee's then present location will not be considered a material change in geographic location. In order for the Eligible Employee's termination of his or her employment to be for Good Reason, the Eligible Employee must not terminate employment with the Company without first providing the Company with written notice of the acts or omissions constituting the grounds for "Good Reason" within 90 days of the initial existence of the grounds for "Good Reason" and a cure period of 30 days following the date of written notice (the "**Cure Period**"), such grounds must not have been cured during such time, and the Eligible Employee must terminate his or her employment within 30 days following the Cure Period.

"**Qualified Termination**" means a termination of the Eligible Employee's employment by the Company other than for Cause, death, or Disability or (B) by the Eligible Employee for Good Reason, in either case, during the Change of Control Period.

Additional Information:

Plan Name:	**Zscaler, Inc.** Change of Control and Severance Policy
Plan Sponsor:	**Zscaler, Inc.**
Identification Numbers:	001
Plan Year:	Company's Fiscal Year
Plan Administrator:	**Board of Directors (or its Compensation Committee)** *Attention:* Plan Administrator of the **Zscaler, Inc.** Change of Control and Severance Policy 110 Rose Orchard Way San Jose, CA 95134
Agent for Service of Legal Process:	**Zscaler, Inc.** *Attention:* Chief Legal Officer 110 Rose Orchard Way San Jose, CA 95134 Service of process may also be made upon the Plan Administrator.
Type of Plan	Severance Plan/Employee Welfare Benefit Plan
Plan Costs	The cost of the Policy is paid by the Company.

Statement of ERISA Rights:

Eligible Employees have certain rights and protections under ERISA:

They may examine (without charge) all Policy documents, including any amendments and copies of all documents filed with the U.S. Department of Labor, such as the Policy's annual report (Internal Revenue Service Form 5500). These documents arc available for review in the Company's Human Resources Department.

They may obtain copies of all Policy documents and other Policy information upon written request to the Plan Administrator. A reasonable charge may be made for such copies.

In addition to creating rights for Eligible Employees, ERISA imposes duties upon the people who are responsible for the operation of the Policy. The people who operate the Policy (called "fiduciaries") have a duty to do so prudently and in the interests of Eligible Employees. No one, including the Company or any other person, may fire or otherwise discriminate against an Eligible Employee in any way to prevent them from obtaining a benefit under the Policy or exercising rights under ERISA. If an Eligible Employee's claim for a severance benefit is denied, in whole or in part, they must receive a written explanation of the reason for the denial. An Eligible Employee has the right to have the denial of their claim reviewed. (The claim review procedure is explained above.)

Under ERISA, there are steps Eligible Employees can take to enforce the above rights. For instance, if an Eligible Employee requests materials and does not receive them within 30 days, they may file suit in a federal court. In such a case, the court may require the Administrator to provide the materials and to pay the Eligible Employee up to $110 a day until they receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If an Eligible Employee has a claim which is denied or ignored, in whole or in part, he or she may file suit in a state or federal court. If it should happen that an Eligible Employee is discriminated against for asserting their rights, he or she may seek assistance from the U.S. Department of Labor, or may file suit in a federal court.

In any case, the court will decide who will pay court costs and legal fees. If the Eligible Employee is successful, the court may order the person sued to pay these costs and fees. If the Eligible Employee loses, the court may order the Eligible Employee to pay these costs and fees, for example, if it finds that the claim is frivolous.

If an Eligible Employee has any questions regarding the Policy, please contact the Plan Administrator. If an Eligible Employee has any questions about this statement or about their rights under ERISA, they may contact the nearest area office of the Employee Benefits Security Administration (formerly the Pension and Welfare Benefits Administration), U.S. Department of Labor, listed in the telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W. Washington, D.C. 20210. An Eligible Employee may also obtain certain publications about their rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

EXHIBIT A

ZSCALER, INC.
Change of Control and Severance Policy
Participation Agreement

This Participation Agreement ("**Agreement**") is made and entered into by and between [Eligible Employee] on the one hand, and **Zscaler, Inc.** (the "**Company**") on the other.

You have been designated as eligible to participate in the Policy, a copy of which is attached hereto, under which you are eligible to receive the following severance payments and benefits upon a Qualified Termination, subject to the terms and conditions of the Policy:

- **Equity Vesting**:
- **Salary Severance**:
- **Bonus Severance**:
- **Health Benefit Payment**:

Other Provisions

You agree that the Policy and the Agreement constitute the entire agreement of the parties hereto and supersede in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties, and will specifically supersede any severance and/or change of control provisions of any offer letter, employment agreement, or equity award agreement entered into between you and the Company.

This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

By its signature below, each of the parties signifies its acceptance of the terms of this Agreement, in the case of the Company by its duly authorized officer effective as of the last date set forth below.

Zscaler, Inc.

By: _____

Date: _____

ELIGIBLE EMPLOYEE

Signature: _____

Date: _____

Exhibit 10.8

ZSCALER, INC.

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (the "***Agreement***") is entered into as of the date last signed below (the "***Effective Date***") by and between Zscaler, Inc. (the "***Company***"), and Jay Chaudhry ("***Executive***").

WHEREAS, the Company moved the principal office of employment for Executive to Reno, Nevada on April 25, 2016 (the "***Transfer Date***");

WHEREAS, the Executive entered into a verbal employment agreement (the "***Verbal Employment Agreement***") with the Company on the Transfer Date; and

WHEREAS, the Company and Executive now desire to memorialize the Verbal Employment Agreement.

NOW THEREFORE, the Company and Executive enter into the following agreement, which expressly supersedes any and all prior agreements, written or verbal, formal or informal, between them with respect to the Executive's relationship with the Company.

1. Duties and Scope of Employment.

(a) Position and Duties. Executive will continue serve as the Company's Chief Executive Officer and Chairman of the Board of the Directors (the "***Board***"). The period of Executive's employment under this Agreement is referred to herein as the "***Employment Term***."

(b) Obligations. During the Employment Term, Executive will perform his duties faithfully and to the best of his ability and will devote his full business efforts and time to the Company. For the duration of the Employment Term, Executive agrees not to actively engage in any other employment or consulting activity without the prior approval of the Board. Notwithstanding the foregoing, Executive may serve on other boards of directors or as an advisor to other entities, with the approval of the Board, or engage in religious, charitable or other community activities as long as such services, activities and/or entities are disclosed to the Board and, in the Board's discretion, do not compete with or interfere with Executive's performance of his duties to the Company or unreasonably detract from Executive's devotion of Executive's full business efforts and time to the Company. For purposes of clarity, the Company acknowledges Executive's current activities with the following entities, which are specifically permitted, as set forth on Exhibit A (the "***Permitted Activities***"). In addition, the Company also acknowledges that it benefits the Company that Executive serve on the boards of directors (or equivalent governing body) of other entities by enhancing Executive's overall knowledge of the business community and nothing in this Agreement will be deemed to restrict Executive from such board service, whether now existing or in the future and such activities will also be Permitted Activities hereunder; provided, that Executive will be required to notify the Company of any such boards on which he serves and, in connection with such service, Executive will be required to comply with his obligations set forth in the Confidential Agreement (as defined below).

(c) Location. It is expected that Executive will work in Reno, Nevada in Executive's home office or the Company's offices soon to be established in Reno, Nevada.

2. At-Will Employment. The parties agree that Executive's employment with the Company will be "at-will" employment and may be terminated at any time with or without cause or notice by either the Executive or the Company. Executive understands and agrees that neither his job performance nor promotions, commendations, bonuses or the like from the Company give rise to or in any way serve as the basis for modification, amendment, or extension, by implication or otherwise, of his employment with the Company, or otherwise alter the at-will employment relationship.

3. Compensation.

(a) Base Salary. During the Employment Term, the Company will pay Executive an annual salary as compensation for his services (as the same may be adjusted from time to time, the "***Base Salary***"). The Base Salary will be paid periodically in accordance with the Company's normal payroll practices and be subject to the usual, required withholdings. Executive's current Base Salary shall be $23,660 per annum.

(b) Discretionary Bonus. In addition, Executive will be eligible for discretionary bonuses, as determined by the Board or the Compensation Committee of the Board, as applicable.

4. Employee Benefits. During the Employment Term, Executive will be entitled to participate in the employee benefit plans currently and hereafter maintained by the Company of general applicability to other senior executives of the Company. The Company reserves the right to cancel or change the benefit plans and programs it offers to its employees at any time.

5. Vacation. Executive will be entitled to vacation in accordance with the Company's then current vacation policy.

6. Expenses. The Company will reimburse Executive for reasonable travel, entertainment or other expenses incurred by Executive in the furtherance of or in connection with the performance of Executive's duties hereunder, in accordance with the Company's expense reimbursement policy as in effect from time to time.

7. Termination of Employment. If Executive's employment with the Company (or any parent or subsidiary or successor of the Company) for any reason, then (i) all vesting will terminate immediately with respect to Executive's outstanding equity awards, (ii) all payments of compensation by the Company to Executive hereunder will terminate immediately (except as to amounts already earned), and (iii) Executive be entitled to accrued but unpaid obligations.

8. Section 409A. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended ("***Section 409A***") or an exemption thereunder and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. Each payment under this Agreement shall constitute a separate payment for purposes of Section 409A.

9. Confidentiality Agreement. Executive has entered into the Company's Confidential Information and Invention Assignment Agreement (the "***Confidentiality Agreement***"). Executive continues to be bound by the terms thereof.

10. Assignment. This Agreement will be binding upon and inure to the benefit of (a) the heirs, executors and legal representatives of Executive upon Executive's death and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "**successor**" means any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. None of the rights of Executive to receive any form of compensation payable pursuant to this Agreement may be assigned or transferred except by will or the laws of descent and distribution. Any other attempted assignment, transfer, conveyance or other disposition of Executive's right to compensation or other benefits will be null and void.

11. Notices. All notices, requests, demands and other communications called for hereunder will be in writing and will be deemed given (i) on the date of delivery if delivered personally, (ii) one (1) day after being sent by a well established commercial overnight service, or (iii) four (4) days after being mailed by registered or certified mail, return receipt requested, prepaid and addressed to the parties or their successors at the following addresses, or at such other addresses as the parties may later designate in writing:

If to the Company:

Zscaler, Inc.
Attn: Board of Directors
110 Rose Orchard Way
San Jose, CA 95134

If to Executive:

12. Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement will continue in full force and effect without said provision.

13. Integration. This Agreement, together with the Confidentiality Agreement, represents the entire agreement and understanding between the parties as to the subject matter herein and supersedes all prior or contemporaneous agreements whether written or oral. This Agreement may be modified only by agreement of the parties by a written instrument executed by the parties that is designated as an amendment to this Agreement.

14. Waiver of Breach. The waiver of a breach of any term or provision of this Agreement, which must be in writing, will not operate as or be construed to be a waiver of any other previous or subsequent breach of this Agreement.

15. Indemnification of Executive. During Executive's service as an officer and director of the Company, Executive will be provided coverage under the Company's directors' and officers' liability insurance policy and the form of indemnification agreement as in effect for other officers and directors of the Company.

16. Acknowledgment. Executive acknowledges that he has had the opportunity to discuss this Agreement with and obtain advice from his personal legal, tax, accounting and other advisors, has had sufficient time to, and has carefully read and fully understands all the provisions of this Agreement, and is knowingly and voluntarily entering into this Agreement. Executive has relied solely on his personal advisors and not on any statements or representations of the Company. To the extent that any liability arises against Executive or the Company as a result of the legal, tax, accounting or other actions relating to this Agreement, Executive agrees to indemnify the Company for the amount of any such taxes, fines, fees or costs.

17. Tax Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable taxes.

18. Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

19. Governing Law. This Agreement will be governed by the laws of the State of Nevada (with the exception of its conflict of laws provisions).

20. Conflict Waiver. Each of the Parties to this Agreement understands that Wilson Sonsini Goodrich & Rosati, Professional Corporation ("***WSGR***") is serving as counsel to the Company in connection with the transactions contemplated hereby, and that discussion of such transactions with Executive could be construed to create a conflict of interest. By executing this Agreement, the Parties hereto acknowledge the potential conflict of interest and waive the right to claim any conflict of interest at a later date. Furthermore, by executing this Agreement, the Parties acknowledge that if a conflict of interest exists and any litigation arises between Executive and the Company, WSGR would represent the Company. Executive represents and warrants that he has had the opportunity to seek independent counsel in his review of this and all related agreements and that he is not relying on WSGR for any legal, tax or other advice relating to such agreements.

21. Counterparts. This Agreement may be executed in counterparts, and each counterpart will have the same force and effect as an original and will constitute an effective, binding agreement on the part of each of the undersigned.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by a duly authorized officer, as of the day and year last signed below.

COMPANY:

ZSCALER, INC.

/s/ Greg Pappas Date: 8/23/2017

EXECUTIVE:

/s/ Jay Chaudhry Date: 8/23/2017

Jay Chaudhry

Exhibit A

Permitted Activities

None.

Exhibit 10.9

June 12, 2008

Manoj Apte

Dear Manoj:

On behalf of SafeChannel Inc. ("the Company"), I am pleased to offer you the full-time position of Director of Product Management reporting to me. The following is your compensation package:

Salary: Your monthly salary will be $13,333.33 ($160,000 annualized). This salary is paid semi-monthly.

Upon joining the Company, you will have the option to purchase restricted shares as described below:

- 120,000 restricted common shares with four year vesting. Assuming continuous employment, vesting of these restricted shares is over four year period.
- These restricted shares can be purchased by you at fair market share price within one month of your start date with the company.
- The unvested restricted can be bought back by the Company in case you leave the Company or the Company terminates your employment.
- In case of an acquisition, after at least one year of your joining the Company, 50% of your outstanding restricted shares (shares that have not been vested) will vest immediately.

All shares and options will be subject to the terms and conditions of your Shareholder agreement, Stock Option Agreement and the Company Stock Option Plan.

As a regular employee of the Company, you will be eligible to participate in the Company's standard employee benefit package (medical and dental). Like all employees, you will also be eligible for vacation benefits per company's vacation policy.

Your employment with the Company will be "at will", meaning that either you or the Company will be entitled to terminate your employment at any time and for any reason, with or without cause. This is the full and complete agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at will" nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the company.

This offer is also contingent upon your signing the Company's Confidentiality Agreement. We will also need you to provide evidence of your legal right to work in the United States as required by the Immigration and Naturalization Service on your first day of employment, with supporting documentation.

This offer will expire in ONE WEEK from the date of this letter. Please fax a signed copy of the letter to 678-815-1155. Manoj, we have great confidence in you and your ability to be an exceptional member of our team. We look forward to [illegible].

Regards,

Jay Chaudhry
Chairman & CEO
SafeChannel, Inc.

Signed: /s/ Manoj Apte Date 6/19/08 Start Date: 7/2/2008
Manoj Apte

Exhibit 10.10

January 8, 2017

Remo Canessa

Dear Remo,

Zscaler (the "Company") is pleased to offer you employment on the following terms:

1. **Position:** The Company will employ you full-time as its Chief Financial Officer reporting to me and working out of the Company's office in San Jose, CA. By signing this letter of agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company or materially impair your ability to perform those duties.

2. **Base Salary and Incentive Compensation**: The Company will pay you a base salary at the rate of $25,000 per month ($300,000 annualized "Base Salary"), paid in accordance with normal payroll policies of the Company and less applicable withholdings. In addition, you are eligible to receive an annual target bonus of $150,000 that will be pro-rated for FY17 based on your date of hire and will be guaranteed for the remainder of FY17 (ending July 31, 2017) as long as you remain employed with the Company through the date such bonus is paid. Thereafter, any bonuses you receive will be discretionary. The terms of your FY17 Bonus Plan will be provided to you within the first 30 days of your employment with the Company.

3. **Employee Benefits:** As a regular employee of the Company, you will be eligible to participate in the Company's standard employee benefit package (medical, dental insurance, paid-time-off, etc.) according to the terms of each respective benefit plan. Further information regarding these plans will be sent to you prior to or shortly after your Start Date.

4. **Stock Option**: Upon joining the Company, it will be recommended to the Company's Board of Directors or its authorized committee (in either case, the "Board") that you be granted a non-statutory stock option to purchase 1,500,000 (one million, five hundred thousand) shares of the Company's common stock ("Shares") at an exercise price per Share equal to the fair market value of a Share on the date of grant, as determined by the Company's Board (the "Option"). The Option will be subject to the terms and conditions of a stock option agreement and the Company's 2007 Stock Plan (together, the "Stock Agreements"), including vesting requirements. Subject to your continued service with the Company, 25% of the Shares subject to the Option shall vest on the one-year anniversary of your first day of employment (your "Start Date"), and 1/48th of the Shares subject to the Option shall vest on the corresponding day of each month thereafter (or if there is no corresponding day in any such month, on the last day of such month), until all Shares have vested on the four-year anniversary date of your Start Date. In addition, the stock option agreement will include provisions giving you the opportunity (but not the obligation) to exercise the Option as to unvested Shares (an "early exercise"). Any unvested Shares you acquire upon the early exercise of the Option will be subject to the Company's right to repurchase then unvested Shares upon your termination of service at any time and for any reason at the price you paid for such unvested Shares. The Company's repurchase right will lapse in accordance with the same vesting schedule applicable to the Option.

5. **Employment Relationship**: Employment with the Company is for no specific period of time. Your employment with the Company will be "at will", meaning that either you or the Company may terminate your employment at any time and for any reason or no reason, with or without Cause (as defined in the Company's current Change of Control and Severance Policy ("COC Policy") regardless of whether you participate in the COC Policy at the time of termination). Your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, are subject to change by the Company; however the "at will" nature of your employment may only be changed in an express written agreement signed by you and the CEO of the Company.

6. **Termination Not in Connection with a Change of Control:** In the event that the Company terminates your employment other than for Cause, death, or Disability (as defined in the COC Policy) outside of the Change of Control Period (as defined in the COC Policy), then, subject to your executing and not revoking the Company's form of Separation Agreement and Release in a form substantially similar to the form attached as an exhibit to the COC Policy (the "Release Agreement") within the time prescribed below, you will be entitled to receive: (a) accelerated vesting as to the number of unvested shares subject to equity awards that otherwise would have vested during the six (6) months following the date your employment with the Company terminates had you remained employed with the Company through such time (provided that, if such termination of employment occurs during the first 6 months following the Start Date, you will

receive accelerated vesting as to 187,500 shares subject to the Option); (b) extension of the period of time in which you have to exercise your vested options to purchase Company common stock until the date that is twelve (12) months following your termination date, subject to earlier termination on a change in control (or similar transaction) pursuant to the terms of the equity plan under which the options are granted; and (c) severance pay at a rate equal to one hundred percent (100%) of your Base Salary, as then in effect (less applicable withholdings) for a period of six (6) months following the date of such termination. The severance pay shall be paid in accordance with the Company's normal payroll practices and shall terminate 6 months following the date of your termination of employment with the Company. The Release Agreement must become effective and irrevocable no later than the sixtieth (60th) day following your actual termination date (the "Release Deadline"). If the Release Agreement does not become effective and irrevocable by the Release Deadline (unless such failure to become effective results from action or inaction by the Company), you will forfeit any right to severance payments or benefits under this Section 6. In no event will severance payments or benefits be paid or provided until the Release Agreement becomes effective and irrevocable. Any severance payments that would have been made to you prior to the Release Deadline will be paid to you no later than the first reasonably available Company payroll date on or following the Release Deadline and the remaining payments will be made as originally scheduled.

7. **Termination in Connection with a Change of Control:** Subject to the approval of the Board, you will be permitted to participate in the Company's Change of Control and Severance Policy ("COC Policy") under which you will be eligible to receive certain severance payments and benefits in the event of your Qualifying Termination (as defined in the COC Policy). The benefits of the COC Policy will be substantially similar to those currently in effect for the Company's other executive officers, except that you also will be entitled to the same benefit as described under Section 6(b) upon a Qualifying Termination. Upon being designated a participant in the COC Policy, you will be asked to sign a participation agreement that sets forth your rights under the COC Policy.

8. **Confidential Information & Invention Assignment Agreement**: Like all Company employees, you will be required, as a condition to your employment with the Company, to sign the Company's standard Confidential Information and Invention Assignment Agreement (the "Confidentiality Agreement") prior to or on your start date. Please note that we must receive your signed Confidentiality Agreement before your first day of employment with the Company.

9. **Outside Activities**: During the term of your employment with the Company, unless otherwise approved by the Board, you will not engage in any other employment, occupation, consulting or other business activity directly related to the business in which the Company is now involved or becomes involved during the term of your employment, nor will you engage in any other activities that conflict with your obligations to the Company. While you render services to the Company, you will not assist any person or entity in competing with the Company, in preparing to compete with the Company or in hiring any employees or consultants of the Company.

10. **Withholding Taxes**: All forms of compensation referred to in this letter agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law.

11. **Section 409A.** The Company intends that all payments and benefits provided under this letter are exempt from, or comply with, the requirements of Section 409A of the Code and any guidance promulgated thereunder (collectively, "Section 409A") so that none of the payments or benefits will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted in accordance with this intent. No payment or benefits to be paid to you, if any, under this letter or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the "Deferred Payments") will be paid or otherwise provided until you have a "separation from service" within the meaning of Section 409A. If, at the time of your termination of employment, you are a "specified employee" within the meaning of Section 409A, then the payment of the Deferred Payments will be delayed to the extent necessary to avoid the imposition of the additional tax imposed under Section 409A, which generally means that you will receive payment on the first payroll date that occurs on or after the date that is six (6) months and one (1) day following your termination of employment. Each payment, installment, and benefit payable under this letter is intended to constitute a separate payment for purposes of U.S. Treasury Regulation Section 1.409A-2(b)(2). In no event will the Company reimburse you for any taxes that may be imposed on you as a result of Section 409A.

12. **Entire Agreement**: This letter, along with the Stock Agreements, the COC Policy, the Confidentiality Agreement, and any other agreements relating to proprietary rights between you and the Company, set forth the terms of your employment with the Company and supersede any prior representations or agreements including, but not limited to, any representations made during your recruitment, interviews or pre-employment negotiations, whether written or oral.

You may indicate your agreement with these terms and accept this offer by signing and dating the letter agreement and the enclosed Confidential Information and Invention Assignment Agreement and emailing them to me. This offer, if not accepted, will expire at the close of business on January 11, 2017. This offer is also contingent upon satisfactory check of your references. In addition, the Company reserves the right to conduct background investigations and/or reference checks on all of its potential employees. Your job offer, therefore, is contingent upon a clearance of such a background investigation and/or reference check, if any. For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your date of hire, or your employment relationship with the Company may be terminated. Also, as a Company employee, you will be expected to abide by the Company's rules and standards. Specifically, you will be required to sign an acknowledgment that you have read and that you understand the Company's rules of conduct which are included in the Company Handbook.

Sincerely,

/s/ Jay Chaudhry

Jay Chaudhry
CEO & Chairman

I have read and accept this employment offer: /s/ Remo Canessa Start Date: February 13, 2017

Remo Canessa

December 22, 2015

Robert Schlossman

Dear Robert,

Zscaler (the "Company") is pleased to offer you employment on the following terms:

1. **Position**: The Company will employ you full-time as its Chief Legal Officer reporting to me and working out of the Company's office in San Jose, CA. By signing this letter of agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company or materially impair your ability to perform those duties.

   Base Salary and Incentive Compensation: The Company will pay you a base salary at the rate of $21,667 per month ($260,000 annualized "Base Salary"), paid in accordance with normal payroll policies of the Company. In addition, you are eligible to receive an annual bonus of $75,000 that will be pro-rated based on your date of hire and will be guaranteed for FY16. The terms of your FY16 Bonus Plan will be provided to you within the first 30 days of your employment.

2. **Employee Benefits**: As a regular employee of the Company, you will be eligible to participate in the Company's standard employee benefit package (medical, dental insurance, etc.) as of your Start Date (set forth below) according to the terms of each respective benefit plan. Further information regarding these plans will be sent to you prior to or shortly after your Start Date.

3. **Incentive Stock Compensation**: Upon joining the Company, it will be recommended to the Company's Board of Directors that you be granted an option to purchase shares of common stock of the Company as described below:

   - An early exercisable nonqualified stock option to purchase 700,000 (seven hundred thousand) shares of the Company's Common Stock (the "Option") at a price per share equal to the fair market value per share of the Common Stock on the date of grant, as determined by the Company's Board of Directors.
   - The Option will be subject to the terms and conditions of your early exercise Stock Option Agreement and the Company's 2007 Stock Plan (the "Stock Plan"), including vesting requirements; provided, however, the Stock Option Agreement will include provisions allowing you to exercise your Option early, whereby you will have the opportunity (but not the obligation) to exercise the Option as to unvested shares. Further, any shares you acquire upon the early exercise of the Option will be subject to a Company repurchase right at the original exercise price upon your termination of service at any time and for any reason. The Company's repurchase right will lapse in accordance with the same vesting schedule applicable to the Option.

4. **Vesting Schedule**: Subject to your continued employment with the Company, 25% of the shares subject to the Option shall vest on the one year anniversary of your Start Date, and 1/48th of the shares subject to the Option shall vest on the corresponding day of each month thereafter (or if there is no corresponding day in any such month, on the last day of such month), until all shares have vested on the 4th anniversary date of your Start Date.

5. **Termination Other than for Cause <u>WITHOUT</u> a Change in Control**:: In the event that the Company terminates your employment other than for Cause, or you resign for Good Reason, without a Change of Control, then, subject to Section 7 below, you will be entitled to receive continuing severance pay at a rate equal to one hundred percent (100%) of your Base Salary, as then in effect (less applicable withholding), for a period of three (3) months from the date of such termination, to be paid periodically in accordance with the Company's normal payroll practices

6. **Termination Other than for Cause AFTER a Change in Control**: If your employment is terminated other than for Cause, or you resign for Good Reason, in connection with or within twelve months after the "Change of Control" (as defined below) of the Company, then, subject to Section 7 below, you will be entitled to receive: (i) waiving the one year cliff if your employment is terminated within the first year of your employment (ii) acceleration of vesting of the Option equal to an additional eighteen (18) months of vesting (262,500 shares); (iii) subject to your execution and compliance with a twelve month (12) month non-compete/non-solicit agreement in favor of the Company, continuing severance pay at a rate equal to one hundred percent (100%) of your Base Salary, as then in effect (less applicable withholding), for a period of eighteen (18) months from the date of such termination, to be paid periodically in accordance with the Company's normal payroll practices.

"Change of Control" Definition. For purposes of this Agreement, a "Change of Control" means either:

(1) the acquisition of the Company by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation or stock transfer, but excluding any such transaction effected primarily for the purpose of changing the domicile of the Company), unless the Company's stockholders of record immediately prior to such transaction or series of related transactions hold, immediately after such transaction or series of related transactions, at least 50% of the voting power of the surviving or acquiring entity (provided that the sale by the Company of its securities for the purposes of raising additional funds shall not constitute a Change of Control hereunder); or (2) a sale of all or substantially all of the assets of the Company.

"Cause" means (a) your engaging in any act of dishonesty, fraud or misrepresentation; (b) your violation of any federal or state law or regulation applicable to the Company's business; (c) your breach of any confidentiality agreement or invention assignment agreement between yourself and the Company; (d) your being convicted of, or entering a plea of *nolo contendere* to, any felony crime or committing any act of moral turpitude, or (e) your failure to satisfactorily perform your duties after having received written notice of such failure and at least fifteen (15) days to cure such failure.

"***Good Reason***" means your voluntary termination, upon 30 days prior written notice to the Company, within 60 days following the occurrence of one of the following events without your consent and which is not cured by the Company within such 30 day period: (a) any reduction in your Base Salary except as part of a general salary reduction applicable to all of the Company's executive officers; (b) your relocation to a facility or location that would increase your daily commute more than thirty (30) miles from your then current commute distance.

7. **Release**. The payment of severance and other benefits set forth in Sections 5 and 6 above are contingent upon your executing and not revoking the Company's form of Separation Agreement and Release (the "Release Agreement"), which must become effective and irrevocable no later than the sixtieth (60th) day following your actual termination date (the "Release Deadline"). If the Release Agreement does not become effective and irrevocable by the Release Deadline (unless such failure to become effective results from action or inaction by the Company), you will forfeit any right to severance payments or benefits under this agreement. In no event will severance payments or benefits be paid or provided until the Release Agreement actually becomes effective and irrevocable. Any severance payments that would have been made to you prior to the Release Agreement becoming effective and irrevocable will be paid to you no later than the first Company payroll date on or following the Release Deadline and the remaining payments will be made as provided in this agreement.

8. **Confidential Information & Invention Assignment Agreement**: Like all Company employees, you will be required, as a condition to your employment with the Company, to sign the Company's standard Confidential Information and Invention Assignment Agreement prior to or on your start date.

9. **Employment Relationship**: Employment with the Company is for no specific period of time. Your employment with the Company will be "at will", meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, are subject to change by the Company. The "at will" nature of your employment may only be changed in an express written agreement signed by you and the CEO of the Company.

10. **Outside Activities**: While you render services to the Company, you will not assist any person or entity in competing with the Company, in preparing to compete with the Company or in hiring any employees or consultants of the Company.

11. **Withholding Taxes**: All forms of compensation referred to in this letter agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law.

12. **Limitation on Payments**. In the event that the severance benefits provided for in this agreement or otherwise payable to you (i) constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code, as amended (the "Code") and (ii) but for this Section 13, would be subject to the excise tax imposed by Section 4999 of the Code, then your severance benefits under Sections 5 and 6 will be either (a) provided in full pursuant to the terms of this letter, or (b) provided as to such lesser extent which would result in no portion of your severance benefits being subject to the excise tax, whichever of the foregoing amounts, taking into account all applicable federal, state, local and foreign income, employment and other taxes and the excise tax (including, without limitation, any interest or penalties on such taxes), results in the receipt by you, on an after-tax basis, of the greatest amount of payments and benefits provided for hereunder or otherwise, notwithstanding that all or some portion of your severance benefits may be subject to the excise tax.

13. **Entire Agreement**: This letter agreement supersedes and replaces any prior understandings or agreements, whether oral or written, between you and the Company regarding the subject matter described in this letter agreement.

You may indicate your agreement with these terms and accept this offer by signing and dating the letter agreement and the enclosed Confidential Information and Invention Assignment Agreement and emailing them to me. This offer, if not accepted, will expire at the close of business on December 11, 2015. This offer is also contingent upon satisfactory check of your references. As required by law, your employment with the Company is contingent upon your providing legal proof of your identity and authorization to work in the United States.

Sincerely,

/s/ Jay Chaudhry

Jay Chaudhry
CEO & Chairman

I have read and accept this employment offer: /s/ Robert Schlossman Start Date: January 14, 2016

Robert Schlossman

Exhibit 10.12

October 18, 2010

Amit Sinha

Dear Amit:

Zscaler (the "Company") is pleased to offer you employment on the following terms:

1. **Position:** The Company will employ you full-time as its Chief Technology Officer (Emerging technologies & Cloud Operations) reporting to me and working out of the Company's office in Sunnyvale, CA. By signing this letter agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company or materially impair your ability to perform those duties.

2. **Base Salary and Incentive Compensation**: The Company will pay you a base salary at the rate of $16,666.67 per month ($200,000 annualized "Base Salary"), paid in accordance with normal payroll policies of the Company. In addition, you are eligible to receive an annual target commission of $40,000 (20% of base salary) per the Company's annual bonus plan.

3. **Employee Benefits**: As a regular employee of the Company, you will be eligible to participate in the Company's standard employee benefit package (medical, dental insurance, etc.) as of your Start Date according to the terms of each respective benefit plan. Further information regarding these plans will be sent to you prior to or shortly after your Start Date.

4. **Incentive Stock Compensation:** Upon joining the Company, it will be recommended to the Company's Board of Directors that you be granted an option to purchase shares of common stock of the Company as described below:

    - The Company will recommend at the first meeting of the Company's Board of Directors after your Start Date that the Company grant you an early exercise nonqualified stock option to purchase 825,000 shares of the Company's Common Stock (the "Option") which represents your total ownership percentage of 1.25% at a price per share equal to the fair market value per share of the Common Stock on the date of grant, as determined by the Company's Board of Directors.

    - The Option will be subject to the terms and conditions of your early exercise Stock Option Agreement and the Company's 2008 Stock Plan (the "Stock Plan"), including vesting requirements; provided, however, the Stock Option Agreement will include provisions allowing you to exercise your Option early, whereby you will have the opportunity (but not the obligation) to exercise the Option as to unvested shares. Further, any shares you acquire upon the early exercise of the Option will be subject to a Company repurchase right at the original exercise price upon your termination of service at any time and for any reason. The Company's repurchase right will lapse in accordance with the same vesting schedule applicable to the Option.

5. **Vesting Schedule**: Subject to your continued employment with the Company, 25% of the shares subject to the Option shall vest on the one year anniversary of your Start Date, and 1/48th of the shares subject to the Option shall vest on the corresponding day of each month thereafter (or if there is no corresponding day in any such month, on the last day of such month), until all shares have vested on the 4th anniversary date of your Start Date.

6. **Change of Control**: In case of an IPO or Change of Control, sale or merger or sale of substantially all the assets of the Company, 50% of your outstanding restricted shares that have not yet been released under the repurchase option, will be released immediately.

7. **Confidential Information & Invention Assignment Agreement**: Like all Company employees, you will be required, as a condition to your employment with the Company, to sign the Company's standard Confidential Information and Invention Assignment Agreement prior to or on your start date.

8. **Employment Relationship**: Employment with the Company is for no specific period of time. Your employment with the Company will be "at will", meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Although your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at will" nature of your employment may only be changed in an express written agreement signed by you and the CEO of the Company.

9. **Outside Activities**: While you render services to the Company, you will not assist any person or entity in competing with the Company, in preparing to compete with the Company or in hiring any employees or consultants of the Company.

10. **Withholding Taxes**: All forms of compensation referred to in this letter agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law.

11. **Entire Agreement**: This letter agreement supersedes and replaces any prior understandings or agreements, whether oral or written, between you and the Company regarding the subject matter described in this letter agreement.

You may indicate your agreement with these terms and accept this offer by signing and dating the letter agreement and the enclosed Confidential Information and Invention Assignment Agreement and returning them to me (fax number 678-815-1155). This offer, if not accepted, will expire at the close of business on October 25, 2010. As required by law, your employment with the Company is contingent upon your providing legal proof of your identity and authorization to work in the United States.

Sincerely,

/s/ Jay Chaudhry

Jay Chaudhry
CEO

I have read and accept this employment offer: /s/ Amit Sinha

Signature — Amit Sinha Start Date December 1, 2010

Exhibit 10.13

November 25, 2014

William E. Welch

Dear William:

Zscaler (the "Company") is pleased to offer you employment on the following terms:

1. **Position:** The Company will employ you as its Global Vice-President of Sales reporting to Lane Bess and working out of your home office in Raleigh, NC. By signing this letter agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company or materially impair your ability to perform those duties.

   Base Salary and Incentive Compensation: The Company will pay you a base salary at the rate of $20,833 per month ($250,000 annualized "Base Salary"), paid in accordance with normal payroll policies of the Company. In addition, you are eligible to receive an annual commission plan of $250,000 that will be pro-rated based on your date of hire. The terms of your FY15 Commission Plan will be provided to you within the first 30 days of your employment and will include a guarantee of $20,835 per month of employment (pro-rated from your start date) through July 31, 2015.

2. **Employee Benefits:** As a regular employee of the Company, you will be eligible to participate in the Company's standard employee benefit package (medical, dental insurance, etc.) as of your Start Date (set forth below) according to the terms of each respective benefit plan. Further information regarding these plans will be sent to you prior to or shortly after your Start Date.

3. **Incentive Stock Compensation:** Upon joining the Company, it will be recommended to the Company's Board of Directors that you be granted an option to purchase shares of common stock of the Company as described below:

   - An early exercisable nonqualified stock option to purchase 650,000 (six hundred-fifty thousand) shares of the Company's Common Stock (the "Option") at a price per share equal to the fair market value per share of the Common Stock on the date of grant, as determined by the Company's Board of Directors.
   - The Option will be subject to the terms and conditions of your early exercise Stock Option Agreement and the Company's 2007 Stock Plan (the "Stock Plan"), including vesting requirements; provided, however, the Stock Option Agreement will include provisions allowing you to exercise your Option early, whereby you will have the opportunity (but not the obligation) to exercise the Option as to unvested shares. Further, any shares you acquire upon the early exercise of the Option will be subject to a Company repurchase right at the original exercise price upon your termination of service at any time and for any reason. The Company's repurchase right will lapse in accordance with the same vesting schedule applicable to the Option.

4. **Vesting Schedule:** Subject to your continued employment with the Company, 25% of the shares subject to the Option shall vest on the one year anniversary of your Start Date, and 1/48th of the shares subject to the Option shall vest on the corresponding day of each month thereafter (or if there is no corresponding day in any such month, on the last day of such month), until all shares have vested on the 4th anniversary date of your Start Date.

5. **Severance::** In the event that the Company terminates your employment other than for Cause, then, subject to Section 7 below and subject to your execution and compliance with a twelve month (12) month non-compete/non-solicit agreement in favor of the Company, you will be entitled to receive severance pay at a rate equal to one hundred percent (100%) of your Base Salary, as then in effect (less applicable withholding), for a period of twelve (12) months from the date of such termination. If the termination without Cause occurs before a Change of Control or more than 12 months after a Change of Control, the severance pay shall be paid periodically in accordance with the Company's normal payroll practices and shall terminate on the earlier of (i) twelve (12) months from the date of your termination without Cause, and (ii) the date that you are engaged, directly or indirectly, as an employee, consultant or advisor to any person or entity. If the termination without Cause occurs within 12 months after a Change of Control, the severance pay shall be payable in a lump sum (less applicable withholding) within 10 days of the termination date.

6. **Vesting Acceleration:** If your employment is terminated within 12 months following a Change of Control other than for Cause, then, in addition to the severance pay provided for in Section 5 and subject to Section 7 below, you will be entitled to receive acceleration of vesting under the Option. The number of shares that will accelerate and vest under the Option pursuant to this Section 6 will be equal to the lesser of (i) 220,000 shares, and (ii) the total number of unvested shares under the options granted in Section 3 as of your termination date.

"**Change of Control**" Definition. For purposes of this Agreement, a "Change of Control" means either:
(1) the acquisition of the Company by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation or stock transfer, but excluding any such transaction effected primarily for the purpose of changing the domicile of the Company), unless the Company's stockholders of record immediately prior to such transaction or series of related transactions hold, immediately after such transaction or series of related transactions, at least 50% of the voting power of the surviving or acquiring entity (provided that the sale by the Company of its securities for the purposes of raising additional funds shall not constitute a Change of Control hereunder); or(2) a sale of all or substantially all of the assets of the Company. Notwithstanding the foregoing provisions of this definition, a transaction will not be deemed a Change of Control unless the transaction qualifies as a "change in control event" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended, and any guidance or regulations promulgated thereunder.

"**Cause**" means (a) your engaging in any act of dishonesty, fraud or misrepresentation; (b) your violation of any federal or state law or regulation applicable to the Company's business; (c) your breach of any confidentiality agreement or invention assignment agreement between yourself and the Company; (d) your being convicted of, or entering a plea of *nolo contendere* to, any felony crime or committing any act of moral turpitude, or (e) your failure to satisfactorily perform your duties after having received written notice of such failure and at least fifteen (15) days to cure such failure.

7. **Release.** The payment of severance and other benefits set forth in Sections 5 and 6 above are contingent upon your executing and not revoking the Company's form of Separation Agreement and Release (the "Release Agreement"), which must become effective and irrevocable no later than the sixtieth (60th) day following your actual termination date (the "Release Deadline"). If the Release Agreement does not become effective and irrevocable by the Release Deadline, you will forfeit any right to severance payments or benefits under this agreement. In no event will severance payments or benefits be paid or provided until the Release Agreement actually becomes effective and irrevocable. Any severance payments that would have been made to you prior to the Release Agreement becoming effective and irrevocable will be paid to you no later than the first Company payroll date on or following the Release Deadline and the remaining payments will be made as provided in this agreement.

8. **Confidential Information & Invention Assignment Agreement:** Like all Company employees, you will be required, as a condition to your employment with the Company, to sign the Company's standard Confidential Information and Invention Assignment Agreement prior to or on your start date.

9. **Employment Relationship:** Employment with the Company is for no specific period of time. Your employment with the Company will be "at will", meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, are subject to change by the Company. The "at will" nature of your employment may only be changed in an express written agreement signed by you and the CEO of the Company.

10. **Outside Activities:** While you render services to the Company, you will not assist any person or entity in competing with the Company, in preparing to compete with the Company or in hiring any employees or consultants of the Company.

11. **Withholding Taxes**: All forms of compensation referred to in this letter agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law.

12. **Limitation on Payments.** In the event that the severance benefits provided for in this agreement or otherwise payable to you (i) constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code, as amended (the "Code") and (ii) but for this Section 13, would be subject to the excise tax imposed by Section 4999 of the Code, then your severance benefits under Sections 5 and 6 will be delivered to such lesser extent as would result in no portion of such severance benefits constituting "parachute payments" within the meaning of Section 280G or being subject to excise tax under Section 4999 of the Code,

13. **Clarifications:** In the event of a separation, (1) Zscaler agrees to make the indemnification (In paragraph 18 of the separation agreement) bilateral, and (2) you may list your Sales Methodology, Control Book and other products related to your sales process in Exhibit A of the Inventions Agreement.

14. **Entire Agreement:** This letter agreement supersedes and replaces any prior understandings or agreements, whether oral or written, between you and the Company regarding the subject matter described in this letter agreement.

You may indicate your agreement with these terms and accept this offer by signing and dating the letter agreement and the enclosed Confidential Information and Invention Assignment Agreement and emailing them to me. This offer, if not accepted, will expire at the close of business on November 30, 2014. This offer is also contingent upon satisfactory check of your references. As required by law, your employment with the Company is contingent upon your providing legal proof of your identity and authorization to work in the United States.

Sincerely,

/s/ Jay Chaudhry

Jay Chaudhry
CEO & Chairman

I have read and accept this employment offer: /s/ William Welch

William Welch

Start Date; December 1, 2014

Exhibit 10.14

Zscaler, Inc
110 Rose Orchard Way
San Jose, CA 95134

December 22, 2016

Karen Blasing

Dear Karen:

On behalf of Zscaler, Inc. (the "**Company**"), I am extremely pleased to invite you to join the Company's Board of Directors (the "**Board**"), subject to your formal appointment by the Board or election by the stockholders of the Company following your acceptance of this offer. As you are aware, the Company is a Delaware corporation and, therefore, your rights and duties as a Board member will be governed by Delaware law and our bylaws and charter documents, as well as by the policies established by our Board from time to time.

Our Board meetings are generally held quarterly at our headquarters in San Jose and you would be expected to attend these meetings, as well as any special meetings that may be scheduled from time to time. It is our hope that you will be able to attend our Board meetings in person.

As compensation for your services, the Company will, subject to approval of the Board, grant you a nonstatutory stock option to purchase 350,000 shares of the Company's common stock (the "**Option**"). The exercise price per share will be equal to the fair market value of the Company's common stock on the date of grant, as determined by the Board in its sole discretion. The Option shall vest at a rate of one forty-eighth (1/48) per month beginning on the date you first begin providing services to the Company, and shall be subject to your continued service to Company on each vesting date. The option will be early exercisable, subject to the Company's right to repurchase any unvested shares. The Option shall be subject to the terms and conditions of the Company's 2007 Equity Incentive Plan (the "**Plan**") and the Company's standard form of stock option agreement (the "**Option Agreement**"), as may be amended from time to time hereafter. No right to any stock is earned or accrued until such time as vesting occurs, nor does the grant confer any right to continue vesting or maintenance of your status as a service provider to the Company or member of the Board. In the event of a change of control of the Company during your term of service, 100% of the unvested shares subject to the Option described above shall vest immediately prior to the closing of such change of control.

You shall also be reimbursed for all reasonable expenses incurred by you in connection with your Board service. The payment of compensation to Board members is subject to the Company's expense reimbursement policies and restrictions under applicable law, and as such, you should be aware that your compensation is subject to such future changes and modifications as the Board, or its appropriate committees, may deem necessary or appropriate.

Should you decide to join the Board, the Company will provide you with its standard form of indemnification agreement entered into with each of its directors and officers (the "**Indemnification Agreement**") and you will be covered under the company's **D&O** insurance policy to the same extent as the other members of the Board.

By accepting this offer, you are representing to us that (i) you do not know of any conflict that would restrict you from becoming a director of the Company, and (ii) you will not provide the Company with any documents, records or other confidential information belonging to any other parties. In addition, by accepting this offer, you agree that you will hold in strictest confidence, and not use, except for the benefit of the Company, or disclose to any person, firm, corporation or other entity, without written authorization of the Board, any non-public, Confidential or proprietary information of the Company, except to the extent that such disclosure or use may be required in direct connection with your duties as a member of the Board. Nothing in this offer or the Option Agreement should be construed to interfere with or otherwise restrict in any way the rights of the Company and the Company's stockholders to remove any individual from the Board at any time in accordance with the Company's charter, bylaws and the provisions of applicable law.

To indicate your acceptance of the Company's offer, please sign and date this letter in the space provided below and return it to me as promptly as practicable. A duplicate original is enclosed for your records. This letter sets forth the terms of your directorship with the Company and supersedes any prior representations or agreements, whether written or oral. This letter may not be modified or amended except by a written agreement, signed by an officer of the Company and by you.

Please let me know if you need any additional information. We look forward to you joining our Board.

(Signature page follows)

Very truly yours,

Zscaler, Inc.

/s/ Jay Chaudhry
Name: Jay Chaudhry
Title: Chief Executive Officer and Chairman

Date: _____

ACCEPTED AND AGREED:

Karen Blasing

/s/ Karen Blasing
Signature

Date: December 23, 2016

Exhibit 10.15

Zscaler, Inc
110 Baytech Dr. Suite 100
San Jose, CA 95134

October 14, 2015

Andrew (Andy) Brown

Dear Andy:

On behalf of Zscaler, Inc. (the "**Company**"), I am extremely pleased to invite you to join the Company's Board of Directors (the "**Board**"), subject to your formal appointment by the Board or election by the stockholders of the Company following your acceptance of this offer. As you are aware, the Company is a Delaware corporation and, therefore, your rights and duties as a Board member will be governed by Delaware law and our bylaws and charter documents, as well as by the policies established by our Board from time to time.

Our Board meetings are generally held quarterly at our headquarters in San Jose and you would be expected to attend these meetings, as well as any special meetings that may be scheduled from time to time. It is our hope that you will be able to attend our Board meetings in person.

As compensation for your services, the Company will, subject to approval of the Board, grant you a nonstatutory stock option to purchase 300,000 shares of the Company's common stock (the "**Option**"). The exercise price per share will be equal to the fair market value of the Company's common stock on the date of grant, as determined by the Board in its sole discretion. The Option shall vest at a rate of one forty-eighth (1/48) per month beginning on the date you first begin providing services to the Company, and shall be subject to your continued service to Company on each vesting date. The option will be early exercisable, subject to the Company's right to repurchase any unvested shares. The Option shall be subject to the terms and conditions of the Company's 2007 Equity Incentive Plan (the "**Plan**") and the Company's standard form of stock option agreement (the "**Option Agreement**"), as may be amended from time to time hereafter. No right to any stock is earned or accrued until such time as vesting occurs, nor does the grant confer any right to continue vesting or maintenance of your status as a service provider to the Company or member of the Board. In the event of a change of control of the Company during your term of service, 100% of the unvested shares subject to the Option described above shall vest immediately prior to the closing of such change of control.

You shall also be reimbursed for all reasonable expenses incurred by you in connection with your Board service. The payment of compensation to Board members is subject to the Company's expense reimbursement policies and restrictions under applicable law, and as such, you should be aware that your compensation is subject to such future changes and modifications as the Board, or its appropriate committees, may deem necessary or appropriate.

Should you decide to join the Board, the Company will provide you with its standard form of indemnification agreement entered into with each of its directors and officers (the "**Indemnification Agreement**") and you will be covered under the company's D&O insurance policy to the same extent as the other members of the Board.

By accepting this offer, you are representing to us that (i) you do not know of any conflict that would restrict you from becoming a director of the Company, and (ii) you will not provide the Company with any documents, records or other confidential information belonging to any other parties. In addition, by accepting this offer, you agree that you will hold in strictest confidence, and not use, except for the benefit of the Company, or disclose to any person, firm, corporation or other entity, without written authorization of the Board, any non-public, confidential or proprietary information of the Company, except to the extent that such disclosure or use may be required in direct connection with your duties as a member of the Board. Nothing in this offer or the Option Agreement should be construed to interfere with or otherwise restrict in any way the rights of the Company and the Company's stockholders to remove any individual from the Board at any time in accordance with the Company's charter, bylaws and the provisions of applicable law.

To indicate your acceptance of the Company's offer, please sign and date this letter in the space provided below and return it to me as promptly as practicable. A duplicate original is enclosed for your records. This letter sets forth the terms of your directorship with the Company and supersedes any prior representations or agreements, whether written or oral. This letter may not be modified or amended except by a written agreement, signed by an officer of the Company and by you.

Please let me know if you need any additional information. We look forward to you joining our Board.

(Signature page follows)

Very truly yours,

Zscaler, Inc.

/s/ Jay Chaudhry
Name: Jay Chaudhry
Title: Chief Executive Officer and Chairman

Date: 11/2/2015

ACCEPTED AND AGREED:

Andrew (Andy) Brown

/s/ Andrew Brown
Signature

Date: 11/2/2015

Exhibit 10.16

Zscaler, Inc
110 Rose Orchard Way
San Jose, CA 95134

November __, 2016

Scott Darling

Dear Scott:

On behalf of Zscaler, Inc. (the "**Company**"), I am extremely pleased to invite you to join the Company's Board of Directors (the "**Board**"), subject to your formal appointment by the Board or election by the stockholders of the Company following your acceptance of this offer. As you are aware, the Company is a Delaware corporation and, therefore, your rights and duties as a Board member will be governed by Delaware law and our bylaws and charter documents, as well as by the policies established by our Board from time to time.

Our Board meetings are generally held quarterly at our headquarters in San Jose and you would be expected to attend these meetings, as well as any special meetings that may be scheduled from time to time. It is our hope that you will be able to attend our Board meetings in person.

You shall be reimbursed for all reasonable expenses incurred by you in connection with your Board service. The payment of compensation to Board members is subject to the Company's expense reimbursement policies and restrictions under applicable law, and as such, you should be aware that your compensation is subject to such future changes and modifications as the Board, or its appropriate committees, may deem necessary or appropriate.

Should you decide to join the Board, the Company will provide you with its standard form of indemnification agreement entered into with each of its directors and officers (the "**Indemnification Agreement**") and you will be covered under the company's D&O insurance policy to the same extent as the other members of the Board.

By accepting this offer, you are representing to us that (i) you do not know of any conflict that would restrict you from becoming a director of the Company, and (ii) you will not provide the Company with any documents, records or other confidential information belonging to any other parties. In addition, by accepting this offer, you agree that you will hold in strictest confidence, and not use, except for the benefit of the Company, or disclose to any person, firm, corporation or other entity, without written authorization of the Board, any non-public, confidential or proprietary information of the Company, except to the extent that such disclosure or use may be required in direct connection with your duties as a member of the Board. Nothing in this offer or the Option Agreement should be construed to interfere with or otherwise restrict in any way the rights of the Company and the Company's stockholders to remove any individual from the Board at any time in accordance with the Company's charter, bylaws and the provisions of applicable law.

To indicate your acceptance of the Company's offer, please sign and date this letter in the space provided below and return it to me as promptly as practicable. A duplicate original is enclosed for your records. This letter sets forth the terms of your directorship with the Company and supersedes any prior representations or agreements, whether written or oral. This letter may not be modified or amended except by a written agreement, signed by an officer of the Company and by you.

Please let me know if you need any additional information. We look forward to you joining our Board.

(Signature page follows)

Very truly yours,

Zscaler, Inc.

/s/ Jay Chaudhry
Name: Jay Chaudhry
Title: Chief Executive Officer and Chairman

Date: _____

ACCEPTED AND AGREED:

Scott Darling

/s/ Scott Darling
Signature

Date: 11/16/16

Exhibit 10.17

Zscaler, Inc
110 Rose Orchard Way
San Jose, CA 95134

November __, 2016

Charles (Charlie) Giancarlo

Dear Charlie:

On behalf of Zscaler, Inc. (the "**Company**"), I am extremely pleased to invite you to join the Company's Board of Directors (the "**Board**"), subject to your formal appointment by the Board or election by the stockholders of the Company following your acceptance of this offer. As you are aware, the Company is a Delaware corporation and, therefore, your rights and duties as a Board member will be governed by Delaware law and our bylaws and charter documents, as well as by the policies established by our Board from time to time.

Our Board meetings are generally held quarterly at our headquarters in San Jose and you would be expected to attend these meetings, as well as any special meetings that may be scheduled from time to time. It is our hope that you will be able to attend our Board meetings in person.

As compensation for your services, the Company will, subject to approval of the Board, grant you a nonstatutory stock option to purchase 350,000 shares of the Company's common stock (the "**Option**"). The exercise price per share will be equal to the fair market value of the Company's common stock on the date of grant, as determined by the Board in its sole discretion. The Option shall vest at a rate of one forty-eighth (1/48) per month beginning on the date you first begin providing services to the Company, and shall be subject to your continued service to Company on each vesting date. The option will be early exercisable, subject to the Company's right to repurchase any unvested shares. The Option shall be subject to the terms and conditions of the Company's 2007 Equity Incentive Plan (the "**Plan**") and the Company's standard form of stock option agreement (the "**Option Agreement**"), as may be amended from time to time hereafter. No right to any stock is earned or accrued until such time as vesting occurs, nor does the grant confer any right to continue vesting or maintenance of your status as a service provider to the Company or member of the Board. In the event of a change of control of the Company during your term of service, 100% of the unvested shares subject to the Option described above shall vest immediately prior to the closing of such change of control.

You shall also be reimbursed for all reasonable expenses incurred by you in connection with your Board service. The payment of compensation to Board members is subject to the Company's expense reimbursement policies and restrictions under applicable law, and as such, you should be aware that your compensation is subject to such future changes and modifications as the Board, or its appropriate committees, may deem necessary or appropriate.

Should you decide to join the Board, the Company will provide you with its standard form of indemnification agreement entered into with each of its directors and officers (the "**Indemnification Agreement**") and you will be covered under the company's D&O insurance policy to the same extent as the other members of the Board.

By accepting this offer, you are representing to us that (i) you do not know of any conflict that would restrict you from becoming a director of the Company, and (ii) you will not provide the Company with any documents, records or other confidential information belonging to any other parties. In addition, by accepting

this offer, you agree that you will hold in strictest confidence, and not use, except for the benefit of the Company, or disclose to any person, firm, corporation or other entity, without written authorization of the Board, any non-public, confidential or proprietary information of the Company, except to the extent that such disclosure or use may be required in direct connection with your duties as a member of the Board. Nothing in this offer or the Option Agreement should be construed to interfere with or otherwise restrict in any way the rights of the Company and the Company's stockholders to remove any individual from the Board at any time in accordance with the Company's charter, bylaws and the provisions of applicable law.

To indicate your acceptance of the Company's offer, please sign and date this letter in the space provided below and return it to me as promptly as practicable. A duplicate original is enclosed for your records. This letter sets forth the terms of your directorship with the Company and supersedes any prior representations or agreements, whether written or oral. This letter may not be modified or amended except by a written agreement, signed by an officer of the Company and by you.

Please let me know if you need any additional information. We look forward to you joining our Board.

(Signature page follows)

Very truly yours,

Zscaler, Inc.

/s/ Jay Chaudhry
Name: Jay Chaudhry
Title: Chief Executive Officer and Chairman

Date: _____

ACCEPTED AND AGREED:

Charles (Charlie) Giancarlo

/s/ Charles Giancarlo
Signature

Date: November 22, 2016

Exhibit 10.18

ROSE ORCHARD WAY
SAN JOSE, CALIFORNIA

OFFICE LEASE

SRI ELEVEN ROW LLC,
a Delaware limited liability company,
Landlord

and

ZSCALER, INC.,
a Delaware corporation,
Tenant

DATED AS OF: June 30, 2015

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A - Outline of Premises
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C - Form of Commencement Date Letter
D - Tenant Approved Plans
E - Form of Letter of Credit

LEASE

THIS LEASE is made as of the 30th day of June, 2015, between SRI ELEVEN ROW LLC, a Delaware limited liability company ("**Landlord**"), and ZSCALER, INC., a Delaware corporation ("**Tenant**").

1. Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, on the terms and conditions set forth herein, the space outlined on the attached Exhibit A (the "**Premises**"). The Premises are located on the floor(s) specified in Paragraph 2 below of the building known as 110 Rose Orchard Way, San Jose, California (the "**Building**" or the "**110 Building**"). The Building is a part of the multi-building office project shown on attached Exhibit A (the "**Project**") which Project consists of five (5) buildings, surface parking areas ("**Parking Areas**"), plaza areas, landscaping and other improvements. The land on which the Project is located and the improvements thereon are referred to herein as the "**Real Property**."

Tenant's lease of the Premises shall include the right to use, in common with others and subject to the other provisions of this Lease, the public lobbies, entrances, stairs, elevators and other public portions of the Building, as well as the common areas of the other portions of the Real Property that are pertinent to Tenant's occupancy and use of the Premises (collectively, the "**Common Areas**"). Tenant shall comply with all recorded covenants, conditions and restrictions, easements and reciprocal easement agreements ("**CC&Rs**"), currently or hereinafter affecting the Real Property and agrees that this Lease shall be automatically be subject and subordinate thereto; provided, however, that Tenant will not be required to comply with, and this Lease will not be subordinate to, any CC&Rs created after the date hereof which have a materially adverse effect on Tenant's use of or access to the Premises or Parking Areas, materially increase Tenant's obligations hereunder or materially diminish Tenant's rights hereunder, except to the extent the same are mandated by law. All of the windows and outside walls of the Premises and any space in the Premises used for shafts, stacks, pipes, conduits, ducts, electrical equipment or other utilities or Building facilities are reserved solely to Landlord and Landlord shall have rights of access through the Premises for the purpose of operating, maintaining and repairing the same.

2. Certain Basic Lease Terms. As used herein, the following terms shall have the meaning specified below:

a. Floor(s) on which the Premises are located: The entire leasable area of the Building. Landlord and Tenant agree that for the purpose of this Lease, (i) the Premises shall be deemed to contain 41,286 rentable square feet of space and (ii) the five (5) buildings that comprise the Project shall be deemed to contain a total of 312,678 rentable square feet of space. Landlord and Tenant agree that the foregoing measurements were made using the 2010 ANSI/BOMA Standard published collectively by the American National Standards Institute and the Building Owners' and Managers' Association.

b. Lease term: Approximately five (5) years and six (6) months, commencing on the date that is two (2) weeks following the Delivery Date (as defined in Paragraph 3.b. below) (the "**Commencement Date**"), and ending on the last day of the sixty-sixth (66th) full calendar month following the Commencement Date (the "**Expiration Date**").

c. Monthly Rent: The amounts set forth below for the respective periods:

Period	Monthly Rate per RSF	Monthly Rent
First Lease Year	$ 1.95	$80,507.70***
Second Lease Year	$ 2.01	$82,916.05
Third Lease Year	$ 2.07	$85,427.62
Fourth Lease Year	$ 2.13	$87,973.59
Fifth Lease Year	$ 2.19	$90,622.77
Sixth Lease Year	$ 2.26	$93,340.77

The "**First Lease Year**" is the period commencing on the Commencement Date and ending on the last day of the twelfth (12th) full calendar month thereafter, and each period of twelve (12) full calendar months thereafter constitutes a "**Lease Year**," except that the Sixth Lease Year shall end on the Expiration Date.

*** Notwithstanding the above, Monthly Rent shall be fully abated for the first six (6) months of the First Lease Year (the "**Rent Abatement Period**"). The date immediately following the end of the Rent Abatement Period is sometimes referred to herein as the "**Rent Commencement Date**."

d. Security: Letter of Credit in the amount of Eight Hundred Fifteen Thousand Dollars ($815,000.00), subject to reduction in accordance with Paragraph 6 below.

e. Tenant's Share: Building Expenses: 100%.

ProjectExpenses: 13.20%

f. Initial Contemplated Use of Premises: Internet security software. Paragraph 8.a. below sets forth the permitted uses of the Premises.

g. Real estate broker(s): CBRE and DTZ (representing Landlord) and Newmark Cornish & Carey (representing Tenant).

3. Term; Delivery of Possession of Premises.

a. Term. The term of this Lease shall commence on the Commencement Date (as defined in Paragraph 2.b. above) and, unless sooner terminated pursuant to the terms hereof or at law, shall expire on the Expiration Date (as defined in Paragraph 2.b.). Upon either party's request after the Commencement Date, Landlord and Tenant shall execute a letter in substantially the form of Exhibit C attached hereto confirming the Commencement Date and the Expiration Date.

b. Delivery of Possession. Landlord shall deliver the Premises to Tenant on the date the Tenant Improvements are Substantially Completed (as those terms are defined, respectively, in Paragraphs 4.a. and 4.c. below) and the date of such delivery is referred to herein as the "**Delivery Date**." The parties presently estimate that the Delivery Date will be on or about September 17, 2015. Notwithstanding the foregoing, except as otherwise expressly provided below, if the Delivery Date is delayed for any reason whatsoever, this Lease shall not be void or voidable nor shall such delay amend Tenant's obligations under this Lease, but Landlord shall use reasonable efforts to cause the Delivery Date to occur as soon as commercially reasonably possible after September 17, 2015. Notwithstanding the foregoing, if the Delivery Date has not occurred by November 1, 2015 (the "**Termination Trigger Date**")(which Termination Trigger Date shall be extended by the length of any delay in the Delivery Date that results from a Tenant Delay (as defined in Paragraph 4.e. below) or from strikes, lockout, labor disputes, shortages of material or labor, fire or other casualty, acts of God or any other cause beyond the commercially reasonable control of Landlord ("**Force Majeure**"), provided that an extension on account of Force Majeure may not exceed one (1) month), Tenant, as Tenant's sole remedy, may notify Landlord in writing that Tenant elects to terminate this Lease effective as of the date ten (10) Business Days following the date of such written notice, and, if the Delivery Date does not occur on or before the end of such ten (10) Business Day period, this Lease shall automatically terminate, without recourse by either party, and Landlord shall promptly return to Tenant all pre-paid rent and the Letter of Credit.

c. Early Access. Notwithstanding that the Commencement Date does not occur until two (2) weeks following the Delivery Date, Tenant shall have the right, commencing on the date two (2) weeks prior to the Delivery Date and continuing through the date immediately preceding the Commencement Date (which totals four (4) weeks of early access), to enter the Premises for purposes of installing telephones, electronic communication or related equipment, fixtures, furniture and equipment, provided that any such access by Tenant prior to the Delivery Date shall be limited to the extent Landlord reasonably determines that Tenant's installation activities will not interfere with Landlord's Substantial Completion of the Tenant Improvements. The provisions of the final grammatical paragraph of Paragraph 8.a. below, the provisions of Paragraph 9.a. below, and the provisions of Paragraphs 14 and 15 below shall apply in full during the period of any such early entry, and Tenant shall (i) provide certificates of insurance evidencing the existence and amounts of liability insurance carried by Tenant and its agents and contractors, reasonably satisfactory to Landlord, prior to such early entry, and (ii) comply with all applicable Legal Requirements applicable to such early entry work in the Premises.

4. Condition of Premises. Except as otherwise expressly provided in this Paragraph 4, Tenant shall accept the Premises in their "as-is" condition and Landlord shall have no obligation to make or pay for any improvements or renovations in or to the Premises to prepare the Premises for Tenant's occupancy.

a. Tenant Approved Plans; Final Plans. Landlord shall cause Landlord's designated contractor ("**Contractor**") to construct the improvements to the Premises which are specifically described in the plans and specifications prepared by AAI ("**Landlord's Architect**") and attached as Exhibit D hereto (the "**Tenant Approved Plans**"). Notwithstanding the foregoing, after the execution hereof, Landlord shall cause Landlord's Architect to prepare construction plans and specifications for the construction of the improvements, which construction plans and specifications shall be based on the Tenant Approved Plans and include only the additional information required for Contractor to obtain the required governmental permits for the construction of the improvements and for Contractor to secure complete bids from qualified contractors to construct the improvements (and, as provided in Paragraph 4.b. below, Landlord shall endeavor to obtain a fixed-bid). Tenant shall promptly submit to Landlord (but in no event later than three (3) Business Days after Landlord's request) any information required by Landlord's Architect to complete such construction plans and specifications. Landlord shall deliver the completed construction plans and specifications to Tenant for Tenant's review and Tenant shall provide its written approval or disapproval thereof within three (3) Business Days of its receipt thereof. Landlord shall cause Landlord's Architect to promptly revise the construction plans and specifications to address any reasonable objections raised by Tenant and shall promptly resubmit appropriately revised construction plans and specifications to Tenant. This procedure shall be followed until all objections have been resolved and the construction plans and specifications approved in writing by Tenant and Landlord; provided, however, that if Tenant requests more than one (1) set of revisions to the construction plans and specifications (other than to correct errors therein), then any delay in Substantial Completion of the Tenant Improvements that results from such additional revisions shall constitute a Tenant Delay under Paragraph 4.e. below. (The construction plans and specifications, as approved in writing by Tenant and Landlord, are hereinafter called the "**Final Plans**" and the improvements to be constructed in accordance with the Final Plans are hereinafter called the "**Tenant Improvements**").

b. Preparation of Budget. As soon as reasonably possible after the approval by Landlord and Tenant of the Final Plans, Landlord shall cause Contractor to receive bids from qualified subcontractors for each major trade working on the Tenant Improvements. When Contractor has received responses to its bid request, Contractor will analyze the same and Landlord or Contractor will provide Tenant with a copy of the recommended sub-contractors' bids and estimated budget for the Tenant Improvements, based upon the recommended sub-contractors' bids and including Contractor's fee, the Construction Management Fee (as defined in Paragraph 4.f.iii. below) and a reasonable contingency (provided that a contingency shall not be included if the contract is a fixed price construction contract). Tenant shall have three (3) Business Days after the receipt of Contractor's bid analysis and estimated budget to approve or reasonably disapprove of the estimated budget or to approve or reasonably disapprove of particular line items in the estimated budget. If Tenant disapproves of the budget or any line item thereon within such three (3) Business Day period, then Landlord shall cause Landlord's Architect to modify the Final Plans to satisfactorily address the desired change to the budget. Any and all revisions to the Final Plans shall be subject to Landlord's reasonable approval. Upon the revision of the Final Plans, Landlord shall cause Contractor to promptly prepare and submit to Tenant a revised estimated budget. Tenant shall respond to the revised estimated budget in the manner described above with regard to the initial budget. Any delay in Substantial Completion of the Tenant Improvements caused directly or indirectly by any revision to the Final Plans or the initial estimated budget or any subsequently revised budget shall constitute a Tenant Delay as defined in Paragraph 4.e. below. In the event Tenant shall fail to raise any objections to the initial budget or any revised budget within the three (3) Business Day period(s) described above, Tenant shall be deemed to have approved the proposed budget or revised budget, as applicable. The budget, as approved by Landlord and Tenant, is referred to hereinafter as the "**Final Budget**".

Landlord shall endeavor to enter into a fixed price construction contract for the Tenant Improvements. However, if the construction contract is not a fixed price contract, Landlord and Tenant agree that, although the Final Budget will represent a good faith estimate by Contractor of the costs of the construction of the Tenant Improvements, the Final Budget will only be an estimate based on information presently known by Contractor with regard to the present condition of the Premises and the anticipated costs of the design and construction of the Tenant Improvements. If the construction is not on a fixed construction contract, Tenant hereby authorizes Landlord to make expenditures from the contingency category of the Final Budget to cover any unforeseen expenses; provided, however, in no event may Landlord spend amounts in excess of the Final Budget contingency without Tenant's prior written consent.

c. Changes. If Tenant requests any change, addition or alteration in or to the Tenant Approved Plans or, once approved, the Final Plans ("**Changes**"), Landlord shall cause Landlord's Architect to prepare additional plans implementing such Change (which additional plans shall be subject to Landlord's reasonable approval) and Landlord's reasonable architectural charges in connection therewith shall be added to the cost of the Tenant Improvements. As soon as practicable

after the completion of such additional plans, Landlord shall notify Tenant of the estimated cost of the Change. Within three (3) Business Days after receipt of such cost estimate, Tenant shall notify Landlord in writing whether Tenant approves the Change. If Tenant approves the Change, Landlord shall proceed with the Change and the cost of the Change shall be added to the cost of the Tenant Improvements and the Final Budget adjusted accordingly. If Tenant fails to approve the Change within such three (3) Business Day period, the requested Change shall not be incorporated into the Tenant Improvements.

d. Construction; Substantial Completion. Landlord shall cause Contractor to commence the construction of the Tenant Improvements as soon as is reasonably possible after the approval by Landlord and Tenant of the Final Plans and the Final Budget. Landlord shall provide and cause to be installed only those wall terminal boxes and/or floor monuments required for Tenant's telephone or computer systems as are shown on the Final Plans. Landlord shall provide and cause to be installed conduits as required for Tenant's telephone and computer systems as shown on the Final Plans, but shall in no event install, pull or hook up such wires. Further, notwithstanding anything to the contrary herein, Landlord and Tenant shall cooperate with each other to resolve any space plan issues raised by applicable local building codes. The Tenant Improvements shall be deemed to be "**Substantially Completed**" when (i) they have, in Landlord's reasonable judgment, been completed in accordance with the Final Plans, subject only to correction or completion of "**Punch List**" items, which items shall be limited to minor items of incomplete or defective work or materials or mechanical maladjustments that are of such a nature that they do not materially interfere with or impair Tenant's use of the Premises for Tenant's business and (ii) any governmental approvals (which may be oral approvals by inspectors or other officials, and may be temporary or conditional in accordance with local practice) and permits required for the legal occupancy of the Premises have been issued. The definition of "Substantially Completed" shall also apply to the terms "Substantial Completion" and "Substantially Complete."

e. Tenant Delays. Tenant shall be responsible for any delay in the commencement or completion of any Tenant Improvements and any increase in the cost of Tenant Improvements caused by (i) Tenant's failure to respond to Landlord's request for information required for the completion of the construction plans and specifications within three (3) Business Days of Landlord's request, as required in Paragraph 4.a. above, (ii) Tenant's failure to provide its written approval or disapproval of the construction plans and specifications (or any revisions thereto) within three (3) Business Days of Tenant's receipt thereof, (iii) Tenant's failure to provide its approval or disapproval regarding the budget within the time periods specified in Paragraph 4.b. above, (iv) any Changes requested by Tenant in the Tenant Approved Plans or, once approved, the Final Plans (including any cost or delay resulting from proposed changes that are not ultimately made), (v) any failure by Tenant to timely pay any amounts due from Tenant hereunder, including any additional costs resulting from any Change (it being acknowledged that if Tenant fails to make or otherwise delays making such payments, Landlord may stop work on the Tenant Improvements rather than incur costs which Tenant is obligated to fund but has not yet funded and any delay from such a work stoppage will be a Tenant Delay), (vi) the inclusion in the Tenant Improvements of any so-called "**long lead**" materials (such as fabrics, paneling, carpeting or other items that are not readily available within industry standard lead times (e.g., custom made items that require time to procure beyond that customarily required for standard items, or items that are currently out of stock and will require extra time to back order) and for which suitable substitutes exist), (vii) Tenant's failure to respond within three (3) Business Days to reasonable inquiries by Landlord or Contractor regarding the construction of the Tenant Improvements, or (viii) any other delay requested or caused by Tenant. Each of the foregoing is referred to herein as a "**Tenant Delay**".

f. Landlord's Allowance; Additional Allowance; Construction Management Fee.

i. Landlord's Allowance. Landlord shall bear the cost of the construction of the Tenant Improvements (including the architectural costs for the preparation of the Tenant Approved Plans and the Final Plans, Contractor's fee and the Construction Management Fee (as defined in Paragraph 2.f.iii. below)), limited however to a maximum expenditure by Landlord therefor of One Million One Hundred Fourteen Thousand Seven Hundred Twenty Two Dollars ($1,114,722.00)("**Landlord's Allowance**"). No portion of Landlord's Allowance may (i) be applied to the cost of moving expenses, equipment, trade fixtures, cabling, furniture, signage or free rent, (ii) be applied to any portion of the Premises which is then the subject of a sublease, or (iii) be used to prepare any portion of the Premises for a proposed subtenant or assignee. If the cost of construction (including Contractor's fee and the Construction Management Fee) exceeds the funds available therefor from Landlord's Allowance, then Tenant shall either (i) reimburse Landlord for such excess costs within fifteen (15) days after Landlord's written demand (which may be for payment prior to commencement of construction or in course of construction payments, at Landlord's option) or (ii) request that Landlord advance such excess cost to Tenant pursuant to Paragraph 4.f.ii. below.

ii. Additional Allowance. If the cost of the design and construction of the Tenant Improvements exceeds Landlord's Allowance provided for in Paragraph 4.f.i. above, then Landlord will, upon Tenant's written request, contribute toward such excess sum an amount not to exceed Four Hundred Twelve Thousand Eight Hundred Sixty Dollars ($412,860.00)(the "**Additional Allowance**"). Notwithstanding the foregoing, at Tenant's option, all or part of Additional Allowance may be used for excess design and hard costs and Tenant's moving expenses, equipment, trade fixtures, cabling, furniture and signage ("**Soft Costs**"). For requested disbursements of the Additional Allowance for Soft Costs, Tenant shall deliver to Landlord invoices in form reasonably acceptable to Landlord and, if the payments are to contractors, subcontractors or to suppliers of materials to be incorporated into the Premises, the disbursement shall be further conditioned upon Tenant's delivery to Landlord of conditional lien waivers executed by the contractor, subcontractors or suppliers, as applicable, for their portion of the work covered by the requested disbursement. The Additional Allowance shall only be available for disbursement to Tenant for application toward Soft Costs during the period commencing on the date hereof and ending on the last day of the sixth (6th) full calendar month following the Commencement Date. In no event shall Tenant be entitled to receive disbursements of the Additional Allowance if Tenant is then in breach of any provision of the Lease.

Upon the completion of the Tenant Improvements and the determination of the actual amount (if any) of the Additional Allowance that was disbursed by Landlord pursuant to the foregoing (the "**Amortization Amount**"), Landlord and Tenant will enter into an amendment to this Lease which increases the monthly rent set forth in Paragraph 2.c. above by a sum sufficient to fully amortize the Amortization Amount over the then remaining term of this Lease, which amortization shall be at an interest rate of eight percent (8%) per annum. Such amendment shall also provide that, if the Lease terminates prior to the date that the Amortization Amount plus accrued interest is fully repaid to Landlord, then, concurrently with such termination of the Lease, the then unpaid portion of the Amortization Amount, plus all accrued but unpaid interest, shall be immediately payable in full.

If the cost of the design and construction of the Tenant Improvements exceeds the funds available from Landlord's Allowance and the amount of the Additional Allowance requested by Tenant, Tenant shall reimburse Landlord for such excess costs within thirty (30) days after Landlord's written demand (which may be for payment prior to commencement of construction or in course of construction payments, at Landlord's option).

iii. Construction Management Fee. Notwithstanding anything to the contrary above, Landlord shall retain from Landlord's Allowance, as compensation to Landlord for review of the Tenant Approved Plans and the Final Plans and for construction inspection, administration and management with regard to the Tenant Improvements, a sum (the "**Construction Management Fee**") equal to three percent (3%) of the hard costs of the construction of the Tenant Improvements. At the time Landlord makes any disbursement of Landlord's Allowance, Landlord shall retain from Landlord's Allowance, as a partial payment of the Construction Management Fee, a proportionate amount of the Construction Management Fee based upon Landlord's reasonable estimation of the amount required to be withheld from each disbursement in order to ensure that the entire Construction Management Fee is retained over the course of construction on a pro-rata basis. At such time as Landlord's Allowance (and, if applicable, the entire Additional Allowance) has been entirely disbursed, Tenant shall, within thirty (30) days of written demand, pay to Landlord the remainder, if any, of the Construction Management Fee not yet paid to Landlord.

g. Test Fit Allowance. Notwithstanding anything to the contrary herein, Landlord shall bear the cost (up to the amount of Four Thousand One Hundred Twenty Eight and 60/100 Dollars ($4,128.60)) of the initial test fit plan prepared for Tenant's occupancy and the cost thereof (up to such amount) shall be in addition to Landlord's Allowance and the Additional Allowance.

h. Landlord's Work. In addition to the construction of the Tenant Improvements, Landlord shall, at Landlord's sole cost (without application of Landlord's Allowance or the Additional Allowance) perform the work, if any, required so that, as of the Delivery Date:

(i) the HVAC Units (as defined in Paragraph 10.a. below) are in good working condition (the penultimate sentence of Paragraph 10.a. below sets forth Landlord's warranty of the condition of the HVAC Units for a period of twelve (12) months following the Commencement Date, subject to the extension of such warranty (if applicable) as expressly provided in the final sentence of Paragraph 10.a. below),

(ii) the Building systems (which excludes the HVAC Units, which are covered in clause (i) above) are in good working condition (Paragraph 10.b. below sets forth Landlord's warranty of the Building systems for the initial three (3) months of the Lease term, subject to the extension of such warranty (if applicable) as expressly provided in Paragraph 10.b. below), and

(iii) the Premises, the Parking Areas and the other Common Areas that are reasonably anticipated to be in Tenant's path of travel during the Lease term, comply with all Legal Requirements with which they must comply in order for Tenant to legally occupy the Premises and utilize such Common Areas in the manner anticipated hereunder.

i. Removal and Restoration. In no event shall Tenant be required to remove any of the Tenant Improvements at the expiration or earlier termination of this Lease except to the extent (i) the particular Tenant Improvement to be removed is in the nature of a Specialty Alteration (as defined in Paragraph 9.b. below) and (ii) Landlord advised Tenant in writing, at the time Landlord approved the Tenant Approved Plans covering the particular Tenant Improvement, that Landlord reserved the right to require Tenant to remove the particular Tenant Improvement at the expiration or earlier termination of this Lease.

5. Monthly Rent.

a. Commencing as of the Commencement Date, and continuing thereafter on or before the first day of each calendar month during the term hereof, Tenant shall pay to Landlord, as monthly rent for the Premises, the Monthly Rent specified in Paragraph 2 above. If Tenant's obligation to pay Monthly Rent hereunder commences on a day other than the first day of a calendar month, or if the term of this Lease terminates on a day other than the last day of a calendar month, then the Monthly Rent payable for such partial month shall be appropriately prorated on the basis of a thirty (30)-day month. Monthly Rent and the Additional Rent specified in Paragraph 7 shall be paid by Tenant to Landlord, in advance, without deduction, offset, prior notice or demand, in immediately available funds of lawful money of the United States of America, or by good check as described below, to the lockbox location designated by Landlord, or to such other person or at such other place as Landlord may from time to time designate in writing. Payments made by check must be drawn either on a California financial institution or on a financial institution that is a member of the federal reserve system. Notwithstanding the foregoing, Tenant shall pay to Landlord together with Tenant's execution of this Lease an amount equal to the Monthly Rent payable under this Paragraph 5.a. plus the Additional Rent payable under Paragraphs 7.a. and 7.b. below, for the first full calendar month of the Lease term after Tenant's obligation to pay Monthly Rent and Additional Rent shall have commenced hereunder, which amount shall be applied to the Monthly Rent and Additional Rent first due and payable hereunder.

b. All amounts payable by Tenant to Landlord under this Lease, or otherwise payable in connection with Tenant's occupancy of the Premises, in addition to the Monthly Rent hereunder and Additional Rent under Paragraph 7, shall constitute rent owed by Tenant to Landlord hereunder.

c. Any rent not paid by Tenant to Landlord when due shall bear interest from the date due to the date of payment by Tenant at an annual rate of interest (the "**Interest Rate**") equal to the lesser of (i) ten percent (10%) per annum or (ii) the maximum annual interest rate allowed by law on such due date for business loans (not primarily for personal, family or household purposes) not exempt from the usury law. Failure by Tenant to pay rent when due, including any interest accrued under this subparagraph, shall constitute an Event of Default (as defined in Paragraph 25 below) giving rise to all the remedies afforded Landlord under this Lease and at law for nonpayment of rent.

d. No security or guaranty which may now or hereafter be furnished to Landlord for the payment of rent due hereunder or for the performance by Tenant of the other terms of this Lease shall in any way be a bar or defense to any of Landlord's remedies under this Lease or at law.

6. Letter of Credit. Tenant shall deliver to Landlord concurrently with its execution of this Lease, as security for the performance of Tenant's covenants and obligations under this Lease, an original irrevocable standby letter of credit (the "**Letter of Credit**") in the amount set forth in Paragraph 2.d. above, naming Landlord as beneficiary, which Landlord may draw upon to cure any Event of Default under this Lease (or any breach under this Lease where there exist circumstances under which Landlord is enjoined or otherwise prevented by operation of law from giving to Tenant a written notice which would be necessary for such failure of performance to constitute an Event of Default under this Lease), or to compensate Landlord for any damage Landlord incurs as a result of an Event of Default. Any such draw on the Letter of Credit shall not constitute a waiver of any other rights of Landlord with respect to such default or failure to perform. The Letter of Credit shall be issued by a major commercial bank reasonably acceptable to Landlord, with an a San

Francisco, or San Jose, California, service and claim point for the Letter of Credit, have an expiration date not earlier than the sixtieth (60th) day after the 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. If, at any period while the Letter of Credit is required to be in effect hereunder, the financial condition of the issuing bank materially deteriorates from the financial condition as of the date of Landlord's initial approval of the bank (as evidenced by a material drop in Standard & Poor's financial services rating for such bank), then Landlord may, by written notice to Tenant, require that Tenant replace the Letter of Credit with a Letter of Credit issued by a major commercial bank then reasonably acceptable to Landlord. In addition, the Letter of Credit shall provide that, in the event of Landlord's assignment or other transfer of its interest in this Lease, the Letter of Credit shall be freely transferable by Landlord, without charge and without recourse, to the assignee or transferee of such interest and the bank shall confirm the same to Landlord and such assignee or transferee. The Letter of Credit shall provide for payment to Landlord upon the issuer's receipt of a sight draft from Landlord together with a statement by Landlord that the requested sum is due and payable from Tenant to Landlord in accordance with the provisions of this Lease, shall be in the form attached hereto as Exhibit E or otherwise be in form and content satisfactory to Landlord. If the Letter of Credit has an expiration date earlier than sixty (60) days after the Expiration Date, then throughout the term hereof (including any renewal or extension of the term) Tenant shall provide evidence of renewal of the Letter of Credit to Landlord at least sixty (60) days prior to the date the Letter of Credit expires. If Landlord draws on the Letter of Credit pursuant to the terms hereof, Tenant shall immediately replenish the Letter of Credit or provide Landlord with an additional letter of credit conforming to the requirement of this paragraph so that the amount available to Landlord from the Letter of Credit(s) provided hereunder is the amount specified in Paragraph 2.d. above, as the same may have been reduced by the immediately following grammatical paragraph. Tenant's failure to deliver any replacement, additional or extension of the Letter of Credit, or evidence of renewal of the Letter of Credit, within the time specified under this Lease shall entitle Landlord to draw upon the entire balance of the Letter of Credit then in effect. If Landlord liquidates the Letter of Credit as provided in the preceding sentence, Landlord shall hold the funds received from the Letter of Credit as security for Tenant's performance under this Lease, this Paragraph 6 shall be deemed a security agreement for such purposes and for purposes of Division 9 of the California Commercial Code, Landlord shall be deemed to hold a perfected, first priority security interest in such funds, and Tenant does hereby authorize Landlord to file such financing statements or other instruments as Landlord shall deem advisable to further evidence and/or perfect such security interest. Landlord shall not be required to segregate such security deposit from its other funds and no interest shall accrue or be payable to Tenant with respect thereto. No holder of a Superior Interest (as defined in Paragraph 21 below), nor any purchaser at any judicial or private foreclosure sale of the Real Property or any portion thereof, shall be responsible to Tenant for such security deposit unless and only to the extent such holder or purchaser shall have actually received the same. If Tenant is not in default at the expiration or termination of this Lease, within sixty (60) days thereafter Landlord shall return to Tenant the Letter of Credit or the balance of the security deposit then held by Landlord, as applicable; 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. To the extent applicable, Tenant hereby unconditionally and irrevocably waives the benefits and protections of California Civil Code Section 1950.7, and, without limitation of the scope of such waiver, acknowledges that Landlord may use all or any part of the proceeds of the Letter of Credit to compensate Landlord for damages resulting from termination of this Lease and the tenancy created hereunder (including, without limitation, damages recoverable under California Civil Code Section 1951.2).

Notwithstanding anything to the contrary above, the amount of the Letter of Credit may be reduced as follows:

(i) If Tenant (a) raises not less than Fifty Million Dollars ($50,000,000.00) of equity (as reasonably evidenced to Landlord) , the Letter of Credit may be reduced to Five Hundred Thousand Dollars ($500,000.00) or (b) raises not less than Seventy-Five Million Dollars ($75,000,000.00) of equity (as reasonably evidenced to Landlord), the Letter of Credit may be reduced to Four Hundred Thousand Dollars ($400,000.00); and

(ii) At the end of the twenty-fourth (24th) month following the Rent Commencement Date (as defined in Paragraph 2.c. above), and on each twelve (12) month anniversary thereafter during the Lease term, the then Letter of Credit amount may be reduced by Ninety Thousand Dollars ($90,000.00), provided that, in no event may the Letter of Credit be reduced to less than One Hundred Eighty Thousand Dollars ($180,000.00) at any time during the Lease term, as extended. For avoidance of doubt, Tenant may reduce the Letter or Credit under this clause (ii) notwithstanding that Tenant previously reduced the Letter of Credit to $500,000.00 or $400,000.00, as applicable, under clause (i) above.

Tenant may achieve the reductions in the Letter of Credit that are provided for above by replacing the then current Letter of Credit with a Letter of Credit in the new amount but in all other respects in conformance with the Letter of Credit described in this Paragraph 6, or, rather than replace the then current Letter of Credit, Tenant may submit to Landlord an amendment thereto, in form reasonably acceptable to Landlord, which reduces the amount of that Letter of Credit by the applicable amount. Notwithstanding anything to the contrary above, Tenant may not reduce the amount of the Letter of Credit on a particular reduction date provided for above if, during the twelve (12) month period immediately preceding the applicable reduction date, an Event of Default occurred or Tenant was in breach of a provision of the Lease and such breach subsequently matured into an Event of Default due to Tenant's failure to cure the breach within the applicable notice and cure period. If Tenant qualified for a reduction in the amount of the Letter of Credit on a particular date pursuant to the foregoing, it shall not be a requirement that Tenant submit the Letter of Credit replacement or amendment on the exact date, but Tenant may instead submit the Letter of Credit replacement or amendment to Landlord in the appropriate reduced amount at any time thereafter, so long as Tenant is not in default of any provision of this Lease as of the date such Letter of Credit replacement or amendment is provided to Landlord.

7. Additional Rent: Increases in Operating Expenses and Tax Expenses.

a. Operating Expenses. Commencing on the Commencement Date, Tenant shall pay to Landlord, at the times hereinafter set forth, Tenant's Share, as specified in Paragraph 2.e. above, of the Operating Expenses (as defined below) incurred by Landlord in each calendar year (or portion thereof) during the Lease term. The amounts payable under this Paragraph 7.a. and Paragraph 7.b. below are termed "**Additional Rent**" herein.

The term "**Operating Expenses**" shall mean the total costs and expenses incurred by Landlord in connection with the management, operation, maintenance, repair and ownership of the Real Property, including, without limitation, the following costs: (1) salaries, wages, bonuses and other compensation (including hospitalization, medical, surgical, retirement plan, pension plan, union dues, life insurance, including group life insurance, welfare and other fringe benefits, and vacation, holidays and other paid absence benefits) relating to employees of Landlord or its agents engaged in the operation, repair, or maintenance of the Real Property; (2) payroll, social security, workers' compensation, unemployment and similar taxes with respect to such employees of Landlord or its agents, and the cost of providing disability or other benefits imposed by law or otherwise, with respect to such employees; (3) the cost of uniforms (including the cleaning, replacement and pressing thereof) provided to such employees; (4) premiums and other charges incurred by Landlord with respect to fire, other casualty, rent and liability insurance, any other insurance as is deemed necessary or advisable in the reasonable judgment of Landlord, or any insurance required by the holder of any Superior Interest (as defined in Paragraph 21 below), and costs of repairing an insured casualty to the extent of the deductible amount under the applicable insurance policy; (5) water charges and sewer rents or fees (excluding any such charges for which tenants are charged directly for service to their respective premises); (6) license, permit and inspection fees; (7) sales, use and excise taxes on goods and services purchased by Landlord in connection with the operation, maintenance or repair of the Real Property and Building systems and equipment; (8) telephone, postage, stationery supplies and other expenses incurred in connection with the operation, maintenance, or repair of the Real Property; (9) management fees (provided, however, in no event may Tenant's payment to Landlord under this Paragraph 7.a. on account of such management fees exceed in any calendar year three percent (3%) of the Monthly Rent payable by Tenant to Landlord under this Lease for such calendar year); (10) costs of repairs to and maintenance of the Real Property, including Parking Areas, driveways, outdoor lighting, landscaping, building systems and appurtenances thereto and normal repair and replacement of worn-out equipment, facilities and installations, but excluding the replacement of major building systems (except to the extent provided in (16) and (17) below); (11) fees and expenses for janitorial and rubbish removal for the Project (excluding any such charges for which tenants are charged directly for service to their respective premises); (12) costs of supplies, tools, materials, and equipment used in connection with the operation, maintenance or repair of the Real Property; (13) accounting, legal and other professional fees and expenses incurred with respect to the management of the Real Property (excluding those costs incurred in connection with the acquisition of new tenants or directly attributable to prospective or current tenants, such as lease negotiations or lease disputes); (14) fees and expenses for painting the exterior or the public or Common Areas of the Building and the cost of maintaining the sidewalks, landscaping and other Common Areas of the Real Property; (15) costs and expenses for electricity, chilled water, air conditioning, water for heating, gas, fuel, steam, heat, lights, power and other energy related utilities required in connection with the operation, maintenance and repair of the Real Property (excluding, however, utilities provided to tenant spaces and for which tenants are directly charged other than through application of this Paragraph 7.a.); (16) the cost of any capital improvements made by Landlord to the Real Property or capital assets acquired by Landlord in order to comply with any local, state or federal law, ordinance, rule, regulation, code or order of any governmental entity or insurance requirement (collectively, "**Legal Requirement**") with which the Real Property was not required to comply as of the Commencement Date, or to

comply with any amendment or other change to the enactment or interpretation of any Legal Requirement from its enactment or interpretation as of the Commencement Date; (17) the cost of any capital improvements made by Landlord to the Building or capital assets acquired by Landlord for the protection of the health and safety of the occupants of the Real Property or that are designed to reduce other Operating Expenses; (18) the cost of landscaping and other customary and ordinary items of personal property provided by Landlord for use in Common Areas of the Building or the Real Property or in the Building office (to the extent that such Building office is dedicated to the operation and management of the Real Property); (19) any expenses and costs resulting from substitution of work, labor, material or services in lieu of any of the above itemizations, or for any additional work, labor, services or material resulting from compliance with any Legal Requirement applicable to the Real Property or any parts thereof; and (20) Building office rent or rental value. If the Building or the Real Property is or becomes subject to any covenants, conditions or restrictions, reciprocal easement agreement, common area or association agreement or declaration or similar agreement, then Operating Expenses shall include all fees, costs or other expenses allocated to the Building or the Real Property under such agreement, subject to the provisions of Paragraph 7.c below regarding the appropriate allocation of such Operating Expenses. With respect to the costs of items included in Operating Expenses under (16) and (17), such costs shall be amortized over the useful life thereof, as reasonably determined by Landlord in accordance with generally accepted property management practices as customarily applied by comparable landlords of buildings comparable to the buildings in the Project, together with interest on the unamortized balance at a rate per annum equal to three (3) percentage points over the six-month United States Treasury bill rate in effect at the time such item is constructed or acquired, or at such higher rate as may have been paid by Landlord on funds borrowed for the purpose of constructing or acquiring such item, but in either case not more than the maximum rate permitted by law at the time such item is constructed or acquired.

Operating Expenses shall not include the following: (i) depreciation on the Building or equipment or systems therein; (ii) debt service; (iii) rental under any ground or underlying lease; (iv) interest (except as expressly provided in this Paragraph 7.a.); (v) Tax Expenses (as defined in Paragraph 7.b. below); (vi) attorneys' fees and expenses incurred in connection with lease negotiations with prospective Building tenants and disputes with current tenants; (vii) the cost (including any amortization thereof) of any improvements or alterations which would be properly classified as capital expenditures according to generally accepted property management practices (except to the extent expressly included in Operating Expenses pursuant to this Paragraph 7.a.); (viii) the cost of decorating, improving for tenant occupancy, painting or redecorating portions of the Building to be or presently demised to tenants; (ix) wages and benefits of Landlord's executive level employees and any other employee who does not devote substantially all of his or her employed time to the Project unless such wages and benefits are prorated to reflect time spent on operating and managing the Project vis-à-vis time spent on matters unrelated to operating and managing the Project; (x) advertising, marketing and promotion; (xi) real estate broker's or other leasing commissions; (xii) utilities or services sold to Tenant or other tenants for which Landlord is entitled to reimbursement (other than through any operating cost reimbursement provision similar to the provisions set forth in this Lease); (xiii) services or other benefits that are not available to Tenant, but which are provided to other tenants of the Project; (xiv) overhead or any profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for services in or in connection with the Real Property to the extent the same exceeds the cost of such services that could be obtained from equally qualified third parties on a competitive basis or at market rates; (xv) interest on debt or amortization on any mortgages, other charges, costs and expenses payable under any mortgage, if any, and costs for financing and refinancing the Real Property; (xvi) costs covered by insurance or warranties, to the extent of the insurance or warranty proceeds actually received by Landlord; (xvii) any fines, interest, penalties or costs of compliance incurred by Landlord (and attorneys' fees relating thereto) as a result of Landlord's violation of any applicable law or due to the breach of this Lease or any other lease in the Project by Landlord; (xviii) the cost of any hazardous substance abatement, removal, or other remedial activities, provided, however, Operating Expenses may include the costs attributable to those abatement, removal, or other remedial activities taken by Landlord in connection with the ordinary operation and maintenance of the Real Property, including costs of cleaning up any minor chemical spills, when such removal or spill is directly related to such ordinary maintenance and operation; and (xix) Landlord's general overhead expenses not related to the Premises or Project. Further, notwithstanding anything to the contrary in this Paragraph 7.a. or elsewhere in this Lease, in no event may Operating Expenses include the costs of any repairs or replacements made by Landlord to the roof of the Building during the first twelve (12) months of the initial Lease term.

b. Tax Expenses. Commencing on the Commencement Date, Tenant shall pay to Landlord as Additional Rent under this Lease, at the times hereinafter set forth, Tenant's Share, as specified in Paragraph 2.e. above, of the Tax Expenses incurred by Landlord during each calendar year during the Lease term.

The term "**Tax Expenses**" shall mean all taxes, assessments (whether general or special), excises, transit charges, housing fund assessments or other housing charges, improvement districts, levies or fees, ordinary or extraordinary, unforeseen as well as foreseen, of any kind, which are assessed, levied, charged, confirmed or imposed on the Real Property, on Landlord with respect to the Real Property, on the act of entering into leases of space in the Real Property, on the use or occupancy of the Real Property or any part thereof, with respect to services or utilities consumed in the use, occupancy or operation of the Real Property, on any improvements, fixtures and equipment and other personal property of Landlord located in the Real Property and used in connection with the operation of the Real Property, or on or measured by the rent payable under this Lease or in connection with the business of renting space in the Real Property, including, without limitation, any gross income tax or excise tax levied with respect to the receipt of such rent, by the United States of America, the State of California, the County of Santa Clara, the City of San Jose, any political subdivision, public corporation, district or other political or public entity or public authority, and shall also include any other tax, fee or other excise, however described, which may be levied or assessed in lieu of, as a substitute (in whole or in part) for, or as an addition to, any other Tax Expense. Tax Expenses shall include reasonable attorneys' and professional fees, costs and disbursements incurred in connection with proceedings to contest, determine or reduce Tax Expenses. If it shall not be lawful for Tenant to reimburse Landlord for any increase in Tax Expenses as defined herein, the Monthly Rent payable to Landlord prior to the imposition of such increases in Tax Expenses shall be increased to net Landlord the same net Monthly Rent after imposition of such increases in Tax Expenses as would have been received by Landlord prior to the imposition of such increases in Tax Expenses.

Tax Expenses shall not include income, franchise, transfer, gift, inheritance, estate or capital stock taxes, unless, due to a change in the method of taxation, any of such taxes is levied or assessed against Landlord in lieu of, as a substitute (in whole or in part) for, or as an addition to, any other charge which would otherwise constitute a Tax Expense.

c. Adjustment for Occupancy Factor; Allocation of Operating Expenses and Tax Expenses. Notwithstanding any other provision herein to the contrary, in the event the Building is not fully occupied during any calendar year during the term, an adjustment shall be made by Landlord in computing Operating Expenses for such year so that the Operating Expenses shall be computed for such year as though the Building had been fully occupied during such year. In addition, if any particular work or service includable in Operating Expenses is not furnished to a tenant who has undertaken to perform such work or service itself, Operating Expenses shall be deemed to be increased by an amount equal to the additional Operating Expenses which would have been incurred if Landlord had furnished such work or service to such tenant. The parties agree that statements in this Lease to the effect that Landlord is to perform certain of its obligations hereunder at its own or sole cost and expense shall not be interpreted as excluding any cost from Operating Expenses or Tax Expenses if such cost is an Operating Expense or Tax Expense pursuant to the terms of this Lease.

Notwithstanding anything to the contrary in this Paragraph 7, Landlord shall have the right to equitably allocate Operating Expenses among the buildings within the Project and/or among particular classes or groups of tenants within a particular building or buildings, so that tenants pay their respective proportionate share of the Operating Expenses applicable to the subject building(s) and the Project. The allocations of Operating Expenses by Landlord under this grammatical paragraph shall be made in a good faith attempt to allocate such costs to the buildings and/or applicable tenants in a reasonable, non-discriminatory manner, and such allocations are sometimes referred to herein as "**Cost Pools**." If Cost Pools are created by Landlord under this grammatical paragraph, Tenant shall pay Tenant's Share of the Operating Expenses for each Cost Pool, to the extent applicable. Upon Tenant's written request, Landlord shall provide to Tenant in writing an explanation of the Cost Pools and Tenant's Share thereof. The parties acknowledge that each of the buildings in the Project has a separate tax parcel covering only that building and a portion of the Parking Areas, and that Tenant's Share of Tax Expenses will be equitably calculated accordingly.

d. Intention Regarding Expense Pass-Through. It is the intention of Landlord and Tenant that the Monthly Rent paid to Landlord throughout the term of this Lease shall be absolutely net of Tax Expenses and Operating Expenses, and the foregoing provisions of this Paragraph 7 are intended to so provide.

e. Notice and Payment. On or before the first day of each calendar year during the term hereof, or as soon as practicable thereafter (but in no event later than June 1st of the subject calendar year), Landlord shall give to Tenant notice of Landlord's estimate of the Additional Rent, if any, payable by Tenant pursuant to Paragraphs 7.a. and 7.b. for such calendar year. On or before the first day of each month during each such subsequent calendar year, Tenant shall pay to Landlord one-twelfth (1/12th) of the estimated Additional Rent; provided, however, that if Landlord's notice 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. If at any time it appears to Landlord that the Additional Rent payable under Paragraphs 7.a. and/or 7.b. will vary from Landlord's estimate by more than five percent (5%), Landlord may, by written notice to Tenant, revise its estimate for such year (but not more than two (2) times in any calendar year), and subsequent payments by Tenant for such year shall be based upon the revised estimate. On the first monthly payment date after any new estimate is delivered to Tenant, Tenant shall also pay any accrued cost increases, based on such new estimate.

f. Annual Accounting. Within one hundred fifty (150) days after the close of each calendar year, or as soon after such one hundred fifty (150) day period as practicable (but in any event no later than nine (9) months following the end of the subject calendar year), Landlord shall deliver to Tenant a statement of the Additional Rent payable under Paragraphs 7.a. and 7.b. for such year and (subject to Paragraph 7.h. below) the statement shall be final and binding upon Landlord and Tenant (except that the Tax Expenses included in such statement may be modified by any subsequent adjustment or retroactive application of Tax Expenses affecting the calculation of such Tax Expenses). If the annual statement shows that Tenant's payments of Additional Rent for such calendar year pursuant to Paragraph 7.e. above exceeded Tenant's obligations for the calendar year, Landlord shall credit the excess to the next succeeding installments of Monthly Rent and estimated Additional Rent or, following the expiration or termination of this Lease, Landlord shall refund such excess to Tenant promptly upon determining the amount thereof. If the annual statement shows that Tenant's payments of Additional Rent for such calendar year pursuant to Paragraph 7.e. above were less than Tenant's obligation for the calendar year, Tenant shall pay the deficiency to Landlord within thirty (30) days after delivery of such statement.

g. Proration for Partial Lease Year. If this Lease commences on a day other than the first day of a calendar year or terminates on a day other than the last day of a calendar year, the Additional Rent payable by Tenant pursuant to this Paragraph 7 applicable to the such partial calendar year shall be prorated on the basis that the number of days of such partial calendar year bears to three hundred sixty (360).

h. Audit. If Tenant wishes to inquire regarding an amount shown on the annual statement, Tenant shall give Landlord written notice of such inquiry within four (4) months following Tenant's receipt of the annual statement. If Tenant does not give Landlord such notice within such time, Tenant shall have waived its right to dispute the subject annual statement. Promptly after the receipt of such written notice from Tenant, (I) Landlord shall deliver to Tenant such other information regarding the annual statement as may be reasonably required by Tenant to ascertain Landlord's compliance with this Paragraph 7 and (II) Landlord and Tenant shall endeavor in good faith to resolve any issues raised by Tenant. If such efforts do not succeed, Tenant shall have the right to cause an independent certified public accountant designated by Tenant, to be paid on an hourly and not a contingent fee basis, to audit the subject annual statement, provided that Tenant (i) provides Landlord with not less than thirty (30) days prior written notice that Tenant will perform such audit and (ii) actually commences such audit not later than thirty (30) days following such notice to Landlord advises that the audit will be performed and (iii) diligently pursues such audit to completion as quickly as reasonably possible. Landlord agrees to make available to Tenant's auditors, at Landlord's office in the Building, the books and records relevant to the audit for review, but such books and records may not be photocopied or removed from Landlord's offices. Tenant shall bear all costs of such audit, except that, if the audit (as conducted and certified by the auditor) shows an aggregate overstatement of Operating Expenses of five percent (5%) or more, and Landlord's auditors concur in such findings (or, in the absence of such concurrence, such overstatement is confirmed by a court of competent jurisdiction or such other dispute resolution mechanism as to which the parties mutually agree in writing), then Landlord shall bear all costs of the audit. If the agreed or confirmed audit shows an underpayment of Operating Expenses by Tenant, Tenant shall pay to Landlord, within thirty (30) days after the audit is agreed to or confirmed, the amount owed to Landlord, and, if the agreed or confirmed audit shows an overpayment of Operating Expenses by Tenant, Landlord shall reimburse Tenant, within thirty (30) days after the audit is agreed to or confirmed, for such overpayment, plus interest at the Interest Rate.

Notwithstanding anything to the contrary set forth above, Tenant's audit rights under this Paragraph 7.h. shall be conditioned upon (i) Tenant having paid the total amounts billed by Landlord under this Paragraph 7 within the time stipulated in Paragraph 7.e. for payment (including, without limitation, the contested amounts) and (ii) Tenant and Tenant's auditor each executing, prior to the commencement of the audit, a customary and commercially reasonable non-disclosure agreement in which Tenant and Tenant's auditor each agree to keep confidential, and not disclose to any other party (excluding their partners, lenders or legal counsel as may be required in the normal course of their business or in enforcing the terms of this Lease or in complying with a legal obligation), the contents of Landlord's records, the results of any such audit or any action taken by Landlord in response thereto.

8. Use of Premises; Compliance with Law.

a. Use of Premises. The Premises may be used solely for general office purposes for the initially contemplated use by Tenant described in Paragraph 2.f. above or for any other general office use consistent with the operation of the Building in a manner commensurate with that of comparable office buildings in the San Jose, Sunnyvale and Santa Clara office market area, provided in no event may the use of the Premises be changed to (1) use as a school or training facility, an entertainment, sports or recreation facility, retail sales to the public, a personnel or employment agency, an office or facility of any governmental or quasi-governmental agency or authority, a place of public assembly (including without limitation a meeting center, theater or public forum), any use by or affiliation with a foreign government (including without limitation an embassy or consulate or similar office), or a facility for the provision of social, welfare or clinical health services or sleeping accommodations (whether temporary, daytime or overnight), or (2) a use which may conflict with any exclusive uses granted to other tenants of the Real Property as of the date of this Lease, or with the terms of any easement, covenant, condition or restriction, or other agreement affecting the Real Property (subject to the limitations in Paragraph 1 above regarding CC&Rs recorded after the date hereof).

Tenant shall not do or suffer or permit anything to be done in or about the Premises or the Real Property, nor bring or keep anything therein, which would in any way subject Landlord, Landlord's agents or the holder of any Superior Interest (as defined in Paragraph 21) to any liability, increase the premium rate of or affect any fire, casualty, liability, rent or other insurance relating to the Real Property or any of the contents of the Building, or cause a cancellation of, or give rise to any defense by the insurer to any claim under, or conflict with, any policies for such insurance. 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. Tenant shall not do or suffer or permit anything to be done in or about the Premises or the Real Property which will in any way obstruct or interfere with the rights of other tenants or occupants of the Real Property or injure or annoy them, or use or suffer or permit the Premises to be used for any immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain, suffer or permit any nuisance in, on or about the Premises or the Real Property. Without limiting the foregoing, no loudspeakers or other similar device which can be heard outside the Premises shall, without the prior written approval of Landlord, be used in or about the Premises. Tenant shall not commit or suffer to be committed any waste in, to or about the Premises. Landlord may from time to time conduct fire and life safety training for tenants of the Building, including evacuation drills and similar procedures. Tenant agrees to participate in such activities as reasonably requested by Landlord.

Tenant agrees not to employ any person, entity or contractor for any work in the Premises (including moving Tenant's equipment and furnishings in, out or around the Premises) whose presence may give rise to a labor or other disturbance in the Building and, if necessary to prevent such a disturbance in a particular situation, Landlord may require Tenant to employ union labor for the work.

b. Compliance with Law. Tenant shall not do or permit anything to be done in or about the Premises which will in any way conflict with any Legal Requirement (as defined in Paragraph 7.a.(16) above) 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 Legal Requirements relating to the condition, use or occupancy of the Premises, and shall perform all work to the Premises or other portions of the Real Property required to effect such compliance. Notwithstanding the foregoing, however, Tenant shall not be required to perform any structural changes to the Premises or other portions of the Real Property unless such changes are related to or affected or triggered by (i) Tenant's Alterations (as defined in Paragraph 9 below), (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), or (iii) Tenant's particular employees or employment practices. 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 Legal Requirement 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 Legal Requirement. Upon Landlord's written request, Tenant shall deliver to Landlord, in form reasonably acceptable to Landlord, information relating to Tenant's electricity consumption at the Premises or any other matter related to Tenant's occupancy to the extent such requested information is required in order for Landlord to comply with reporting requirements imposed upon Landlord by any federal, state or local law regarding energy use or any other matter.

c. Hazardous Materials. Tenant shall not cause or permit the storage, use, generation, release, handling or disposal (collectively, "**Handling**") of any Hazardous Materials (as defined below), in, on, or about the Premises or the Real Property by Tenant or any agents, employees, contractors, licensees, subtenants, customers, guests or invitees of Tenant (collectively with Tenant, "**Tenant Parties,**" and each individually, a "**Tenant Party**"), except that Tenant shall be permitted to use normal quantities of office supplies or products (such as copier fluids or cleaning supplies) customarily used in the conduct of general business office activities ("**Common Office**

Chemicals"), provided that the Handling of such Common Office Chemicals shall comply at all times with all Legal Requirements, including Hazardous Materials Laws (as defined below). Notwithstanding anything to the contrary contained herein, however, in no event shall Tenant permit any usage of Common Office Chemicals in a manner that may cause the Premises or the Real Property to be contaminated by any Hazardous Materials or in violation of any Hazardous Materials Laws. Tenant shall immediately advise Landlord in writing of (a) any and all enforcement, cleanup, remedial, removal, or other governmental or regulatory actions instituted, completed, or threatened pursuant to any Hazardous Materials Laws relating to any Hazardous Materials affecting the Premises; and (b) all claims made or threatened by any third party against Tenant, Landlord, the Premises or the Real Property relating to damage, contribution, cost recovery, compensation, loss, or injury resulting from any Hazardous Materials on or about the Premises. Without Landlord's prior written consent, Tenant shall not take any remedial action or enter into any agreements or settlements in response to the presence of any Hazardous Materials in, on, or about the Premises. Tenant shall be solely responsible for and shall indemnify, defend and hold Landlord and all other Indemnitees (as defined in Paragraph 14.b. below), harmless from and against all Claims (as defined in Paragraph 14.b. below), arising out of or in connection with, or otherwise relating to (i) any Handling of Hazardous Materials by any Tenant Party or Tenant's breach of its obligations hereunder, or (ii) any removal, cleanup, or restoration work and materials necessary to return the Real Property or any other property of whatever nature located on the Real Property to their condition existing prior to the Handling of Hazardous Materials in, on or about the Premises by any Tenant Party. Tenant's obligations under this paragraph shall survive the expiration or other termination of this Lease. For purposes of this Lease, "**Hazardous Materials**" means any explosive, radioactive materials, hazardous wastes, or hazardous substances, including without limitation asbestos containing materials, PCB's, CFC's, or substances defined as "hazardous substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601-9657; the Hazardous Materials Transportation Act of 1975, 49 U.S.C. Section 1801-1812; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901-6987; or any other Legal Requirement regulating, relating to, or imposing liability or standards of conduct concerning any such materials or substances now or at any time hereafter in effect (collectively, "**Hazardous Materials Laws**").

d. Applicability of Paragraph. The provisions of this Paragraph 8 are for the benefit of Landlord, the holder of any Superior Interest (as defined in Paragraph 21 below), and the other Indemnitees only and are not nor shall they be construed to be for the benefit of any tenant or occupant of the Building.

9. Alterations and Restoration.

a. Tenant shall not make or permit to be made any alterations, modifications, additions, decorations or improvements to the Premises, or any other work whatsoever that would directly or indirectly involve the penetration or removal (whether permanent or temporary) of, or require access through, in, under, or above any floor, wall or ceiling, or surface or covering thereof in the Premises (collectively, "**Alterations**"), except as expressly provided in this Paragraph 9. If Tenant desires any Alteration, Tenant must obtain Landlord's prior written approval of such Alteration, which approval shall not be unreasonably withheld.

Notwithstanding the foregoing or anything to the contrary contained elsewhere in this Paragraph 9, Tenant shall have the right, without Landlord's consent, to make any Alteration that meets all of the following criteria (a "**Cosmetic Alteration**"): (a) the Alteration is decorative in nature (such as paint, carpet or other wall or floor finishes, movable partitions or other such work), (b) Tenant provides Landlord with ten (10) days' advance written notice of the commencement of such Alteration, (c) such Alteration does not affect the Building's electrical, mechanical, life safety, plumbing, security, or HVAC systems or any other portion of the base building or any part of the Building other than the Premises, (d) the work will not decrease the value of the Premises, does not require a building permit or other governmental permit, uses only new materials comparable in quality to those being replaced and is performed in a workman-like manner and in accordance with all Applicable Requirements, (e) the work does not involve any Hazardous Materials, (f) the work does not involve opening the ceiling of the Premises and is not visible from the exterior of the Premises, and (g) the total cost of such Alteration does not exceed Eighty Thousand Dollars ($80,000.00). At the time Tenant notifies Landlord of any Cosmetic Alteration, Tenant shall give Landlord a copy of Tenant's plans for the work. If the Cosmetic Alteration is of such a nature that formal plans will not be prepared for the work, Tenant shall provide Landlord with a reasonably specific description of the work.

All Alterations shall be made at Tenant's sole cost and expense (including the expense of complying with all present and future Legal Requirements, including those regarding asbestos, if applicable, and any other work required to be performed in other areas within or outside the Premises by reason of the Alterations). Tenant shall either (i) arrange for Landlord to perform the

work on terms and conditions acceptable to Landlord and Tenant, each in its sole discretion or (ii) bid the project out to contractors approved by Landlord in writing in advance (which approval shall not be unreasonably withheld). Regardless of the contractors who perform the work pursuant to the above, Tenant shall pay Landlord on demand prior to or during the course of such construction an amount (the "**Alteration Operations Fee**") equal to four percent (4%) of the total cost of the Alteration (and for purposes of calculating the Alteration Operations Fee, such cost shall include architectural and engineering fees, but shall not include permit fees) as compensation to Landlord for Landlord's internal review of Tenant's Plans and general oversight of the construction (which oversight shall be solely for the benefit of Landlord and shall in no event be a substitute for Tenant's obligation to retain such project management or other services as shall be necessary to ensure that the work is performed properly and in accordance with the requirements of this Lease); provided, however, in no event shall the Alteration Operations Fee apply to Cosmetic Alterations. Tenant shall also reimburse Landlord for Landlord's actual out-of-pocket expenses in connection with the work, such as additional cleaning expenses, fees and charges paid to third party architects, engineers and other consultants for review of the work and the plans and specifications with respect thereto, and for other miscellaneous costs reasonably incurred by Landlord as result of the work (but excluding supervision costs, which the parties acknowledge are covered by the Alteration Operations Fee).

All such work shall be performed diligently and in a first-class workmanlike manner and in accordance with plans and specifications approved by Landlord, shall be performed by contractors approved by Landlord, and shall comply with all Legal Requirements and Landlord's construction standards, procedures, conditions and requirements for the Building as in effect from time to time (including Landlord's requirements relating to insurance and contractor qualifications). To the extent applicable, and without limitation of the foregoing, Tenant shall cause a timely Notice of Completion to be recorded in the office of the Recorder of Santa Clara County in accordance with Section 8182 of the California Civil Code or any successor statute. Tenant shall deliver to Landlord, within thirty (30) days following the completion of the Alterations, a copy of as-built drawings of the Alterations in a form acceptable to Landlord. In no event shall Tenant employ any person, entity or contractor to perform work in the Premises whose presence may give rise to a labor or other disturbance in the Building. Default by Tenant in the payment of any sums agreed to be paid by Tenant for or in connection with an Alteration (regardless of whether such agreement is pursuant to this Paragraph 9 or separate instrument) shall entitle Landlord to all the same remedies as for non-payment of rent hereunder. Any Alterations, including, without limitation, moveable partitions that are affixed to the Premises (but excluding moveable, free standing partitions) and all carpeting, shall at once become part of the Building and the property of Landlord. Tenant shall give Landlord not less than ten (10) days prior written notice of the date the construction of the Alteration is to commence. Landlord may post and record an appropriate notice of non-responsibility with respect to any Alteration and Tenant shall maintain any such notices posted by Landlord in or on the Premises. Landlord may, in its 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 proposed Alterations and naming Landlord as a co-obligee.

b. At Landlord's sole election any or all Alterations made for or by Tenant shall be removed by Tenant from the Premises at the expiration or sooner termination of this Lease and the Premises shall be restored by Tenant to their condition prior to the making of the Alterations, ordinary wear and tear excepted; provided, however, that (i) if so requested by Tenant in writing (which writing shall expressly refer to this Paragraph 9.b.) at the time Tenant requests approval for an Alteration (or, with respect to Cosmetic Alterations, at the time Tenant gives Landlord notice of such Cosmetic Alterations), Landlord shall advise Tenant in writing at the time of Landlord's approval of such Alteration (or following Landlord's receipt of Tenant's notice to Landlord with respect to Cosmetic Alterations) as to whether Landlord will require Tenant to remove the Alteration at the expiration or earlier termination of this Lease and (ii) in no event may Landlord require Tenant to remove any Alterations that do not constitute Specialty Alterations (as defined below). The removal of the Alterations and the restoration of the Premises shall be performed by a general contractor selected by Tenant and reasonably approved by Landlord, in which event Tenant shall pay the general contractor's fees and costs in connection with such work. Any separate work letter or other agreement which is hereafter entered into between Landlord and Tenant pertaining to Alterations shall be deemed to automatically incorporate the terms of this Lease without the necessity for further reference thereto. "**Specialty Alterations**" are improvements that are of a type or quantity that would not be installed by or for a typical tenant using space for general office purposes, or are otherwise nonstandard, including, without limitation, raised flooring, supplemental HVAC systems, fire suppression systems that are customarily installed for computer rooms but not for ordinary office space, rolling file systems, private eating and cooking facilities (other than customary break-room/kitchen areas) and restrooms or shower areas facilities (other than the restrooms that are part of the base Building).

10. Repair.

a. Tenant, at Tenant's sole cost and expense, shall keep in good condition and repair the Premises and every part thereof, including, without limitation (i) all plumbing and sewer facilities serving the Premises (including all sinks, toilets, faucets and drains), (ii) the rooftop HVAC units serving the Premises and all appurtenances thereto (the "**HVAC Units**"), (iii) the interior walls, floors, ceilings, interior doors, and all interior and exterior windows, (iv) all electrical facilities and equipment serving the Premises (including all lighting fixtures, lamps, bulbs, tubes, fans, vents, exhaust equipment and systems), (v) all fire extinguishing equipment in the Building, and (vi) Tenant's trade fixtures, installations, equipment and other personal property within the Premises. Notwithstanding the foregoing, Tenant shall not be responsible for repairs to the extent such repairs are (i) necessitated by the negligence or willful misconduct of Landlord or Landlord's agents, employees or contractors, or (ii) Landlord's obligations pursuant to Paragraph 10.b. below. Tenant waives all rights to make repairs at the expense of Landlord as provided by any Legal Requirement now or hereafter in effect. It is specifically understood and agreed that, except as specifically set forth in this Lease, Landlord has no obligation and has made no promises to alter, remodel, improve, repair, decorate or paint the Premises or any part thereof, and that no representations respecting the condition of the Premises or the Building have been made by Landlord to Tenant. Tenant hereby waives the provisions of California Civil Code Sections 1932(1), 1941 and 1942 and of any similar Legal Requirement now or hereafter in effect.

Without limitation of the foregoing, Tenant shall maintain in place throughout the Lease term, with a contractor reasonably approved by Landlord, a preventive maintenance contract for the quarterly maintenance of the HVAC Units, which contract shall be provided to Landlord upon request for Landlord's review and approval. Notwithstanding anything to the contrary above, at Landlord's option, Landlord may elect to perform the maintenance and repair of the HVAC Units itself, with Tenant to reimburse Landlord for the cost thereof (not to exceed customary market rates) not later than thirty (30) days following receipt of Landlord's written invoice therefor. Further, notwithstanding anything to the contrary above in this Paragraph 10.a. or elsewhere in this Lease, Landlord warrants the good working condition of the HVAC Units for a period of twelve (12) months following the Commencement Date and, if any repairs are required to the HVAC Units during such twelve (12) month period, Landlord shall bear the cost of such repairs (excluding, however, any repairs required due to the misuse of the HVAC Units by Tenant or its employees, agents on contractors or Tenant's failure to perform the required quarterly maintenance, unless Landlord has taken responsibility for such quarterly maintenance, in the manner permitted above). Notwithstanding the foregoing, if a warranty held by Landlord for the HVAC Units extends beyond the aforementioned twelve (12) month period, Landlord shall make the warranties available to Tenant, at no cost to Landlord, for the duration of such warranties.

b. Repairs to the Premises due to fire, earthquake, acts of God or the elements shall be governed by Paragraph 26 below, and repairs to the Premises due to a governmental taking shall be governed by Paragraph 27 below. Landlord shall (1) repair the Premises if they are damaged due to item (i) described in Paragraph 10.a. above (subject to Paragraph 16 below), (2) perform any repairs required to the Building systems during the first three (3) months immediately following the Delivery Date (with disrepair of such Building systems after the end of such three (3) month period being the responsibility of Tenant under Paragraph 10.a. above, except that, to the extent any warranties received by Landlord for the subject items continue beyond such 3-month period, Landlord shall make the warranties available to Tenant, at no cost to Landlord, for the duration of such warranties); and (3) repair and maintain in good condition and repair the roof, exterior and structural portions of the Building and the Common Areas, provided that, if repairs under items (2) or (3) are necessitated by the negligence or deliberate misconduct of Tenant or Tenant's agents, employees or contractors, then Tenant shall reimburse Landlord for the cost of such repair to the extent Landlord is not reimbursed therefor by insurance or warranties. Landlord shall in no event be obligated to repair any wear and tear to the Premises.

11. Abandonment. Tenant shall not abandon the Premises or any part thereof at any time during the term hereof. Tenant's mere vacating of the Premises during the term hereof shall not constitute an abandonment under this Lease nor an Event of Default so long as Tenant continues to pay Monthly Rent, Additional Rent and all other sums due Landlord under this Lease and maintains the insurance coverage required pursuant to Paragraph 15 of this Lease. Upon the expiration or earlier termination of this Lease, or if Tenant abandons or surrenders all or any part of the Premises or is dispossessed of the Premises by process of law, or otherwise, any movable furniture, equipment, trade fixtures, or other personal property belonging to Tenant and left on the Premises shall, at the option of Landlord, be deemed to be abandoned and, whether or not the property is deemed abandoned, Landlord shall have the right to remove such property from the Premises and charge Tenant for the removal and any restoration of the Premises as provided in Paragraph 9. Landlord may charge Tenant for the storage of Tenant's property left on the Premises at such rates as Landlord may from time to time reasonably determine, or, Landlord may, at its option, store Tenant's property in a public

warehouse at Tenant's expense. Notwithstanding the foregoing, neither the provisions of this Paragraph 11 nor any other provision of this Lease shall impose upon Landlord any obligation to care for or preserve any of Tenant's property left upon the Premises, and Tenant hereby waives and releases Landlord from any claim or liability in connection with the removal of such property from the Premises and the storage thereof and specifically waives the provisions of California Civil Code Section 1542 with respect to such release. Landlord's action or inaction with regard to the provisions of this Paragraph 11 shall not be construed as a waiver of Landlord's right to require Tenant to remove its property, restore any damage to the Premises and the Building caused by such removal, and make any restoration required pursuant to Paragraph 9 above.

12. Liens. Tenant shall not permit any mechanic's, materialman's or other liens arising out of work performed at the Premises by or on behalf of Tenant to be filed against the fee of the Real Property nor against Tenant's interest in the Premises. Landlord shall have the right to post and keep posted on the Premises any notices which it deems necessary for protection from such liens. If any such liens are filed, Landlord may, upon ten (10) days' written notice to Tenant, without waiving its rights based on such breach by Tenant and without releasing Tenant from any obligations hereunder, pay and satisfy the same and in such event the sums so paid by Landlord shall be due and payable by Tenant immediately without notice or demand, with interest from the date paid by Landlord through the date Tenant pays Landlord, at the Interest Rate. Tenant agrees to indemnify, defend and hold Landlord and the other Indemnitees (as defined in Paragraph 14.b. below) harmless from and against any Claims (as defined in Paragraph 14.b. below) for mechanics', materialmen's or other liens in connection with any Alterations, repairs or any work performed, materials furnished or obligations incurred by or for Tenant.

13. Assignment and Subletting.

a. Landlord's Consent. Landlord's and Tenant's agreement with regard to Tenant's right to transfer all or part of its interest in the Premises is as expressly set forth in this Paragraph 13. Tenant agrees that, except upon Landlord's prior written consent, which consent shall not (subject to Landlord's rights under Paragraph 13.d. below) be unreasonably withheld, neither this Lease nor all or any part of the leasehold interest created hereby shall, directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, be assigned, mortgaged, pledged, encumbered or otherwise transferred by Tenant or Tenant's legal representatives or successors in interest (collectively, an "**assignment**") and neither the Premises nor any part thereof shall be sublet or be used or occupied for any purpose by anyone other than Tenant (collectively, a "**sublease**"). Any assignment or subletting without Landlord's prior written consent shall, at Landlord's option, be void and shall constitute an Event of Default entitling Landlord to terminate this Lease and to exercise all other remedies available to Landlord under this Lease and at law.

The parties hereto agree and acknowledge that, among other circumstances for which Landlord may reasonably withhold its consent to an assignment or sublease, it shall be reasonable for Landlord to withhold its consent where: (i) 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, (ii) the space will be used for a school or training facility, an entertainment, sports or recreation facility, retail sales to the public (unless Tenant's permitted use is retail sales), a personnel or employment agency, an office or facility of any governmental or quasi-governmental agency or authority, a place of public assembly (including without limitation a meeting center, theater or public forum), any use by or affiliation with a foreign government (including without limitation an embassy or consulate or similar office), or a facility for the provision of social, welfare or clinical health services or sleeping accommodations (whether temporary, daytime or overnight); (iii) the proposed assignee or subtenant (or any person which directly or indirectly controls, is controlled by, or is under common control with the proposed assignee or subtenant) is a current tenant of the Building or has negotiated with Landlord within the preceding one hundred eighty (180) days (or is currently negotiating with Landlord) to lease space in the Real Property; (iv) Landlord reasonably disapproves of the proposed assignee's or subtenant's reputation or creditworthiness; (v) Landlord reasonably determines that the character of the business that would be conducted by the proposed assignee or subtenant at the Premises, or the manner of conducting such business, would be inconsistent with the character of the Building as a first-class office building; (vi) the proposed assignee or subtenant is an entity or related to an entity with whom Landlord or any affiliate of Landlord has had adverse dealings; (vii) the assignment or subletting may conflict with any exclusive uses granted to other tenants of the Real Property, or with the terms of any easement, covenant, condition or restriction, or other agreement affecting the Real Property; (viii) the assignment or subletting would involve a change in use from that expressly permitted under this Lease; (ix) Landlord reasonably determines that the proposed assignee may be unable to perform all of Tenant's obligations under this Lease or the proposed subtenant may be unable to perform all of its obligations under the proposed sublease or (x) as of the date Tenant requests Landlord's consent or as of the date Landlord responds thereto, a monetary or a

material non-monetary breach or default by Tenant under this Lease shall have occurred and be continuing (although, upon Tenant's cure of such breach or default, Tenant may resubmit the request for Landlord's consent to the subject proposed assignment or subletting). Landlord's foregoing rights and options shall continue throughout the entire term of this Lease.

For purposes of this Paragraph 13, the following events shall be deemed an assignment or sublease, as appropriate: (i) the issuance of equity interests (whether stock, partnership interests or otherwise) in Tenant or any subtenant or assignee, or any entity controlling any of them, to any person or group of related persons, in a single transaction or a series of related or unrelated transactions, such that, following such issuance, such person or group shall have Control (as defined below) of Tenant or any subtenant or assignee; (ii) a transfer of Control of Tenant or any subtenant or assignee, or any entity controlling any of them, in a single transaction or a series of related or unrelated transactions (including, without limitation, by consolidation, merger, acquisition or reorganization), except that the transfer of outstanding capital stock or other listed equity interests 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; (iii) a reduction of Tenant's assets to the point that this Lease is substantially Tenant's only asset; (iv) a change or conversion in the form of entity of Tenant, any subtenant or assignee, or any entity controlling any of them, which has the effect of limiting the liability of any of the partners, members or other owners of such entity; or (v) the agreement by a third party to assume, take over, or reimburse Tenant for, any or all of Tenant's obligations under this Lease, in order to induce Tenant to lease space with such third party. "**Control**" shall mean direct or indirect ownership of fifty percent (50%) or more of all of the voting stock of a corporation or fifty percent (50%) or more of the legal or equitable interest in any other business entity, or the power to direct the operations of any entity (by equity ownership, contract or otherwise). Subject to Paragraph 13.h. below (entitled "Affiliates"), the assignment transactions in (i) and (ii) above are exempt from the requirement of obtaining Landlord's consent to the assignment or sublease.

If this Lease is assigned, whether or not in violation of the terms of this Lease, Landlord may collect rent from the assignee. If the Premises or any part thereof is sublet, Landlord may, upon an Event of Default by Tenant hereunder, collect rent from the subtenant. In either event, Landlord may apply the amount collected from the assignee or subtenant to Tenant's monetary obligations hereunder.

The consent by Landlord to an assignment or subletting hereunder shall not relieve Tenant or any assignee or subtenant from the requirement of obtaining Landlord's express prior written consent to any other or further assignment or subletting. In no event shall any subtenant be permitted to assign its sublease or to further sublet all or any portion of its subleased premises without Landlord's prior written consent, which consent may be withheld by Landlord it its sole and absolute discretion. Neither an assignment or subletting nor the collection of rent by Landlord from any person other than Tenant, nor the application of any such rent as provided in this Paragraph 13.a. shall be deemed a waiver of any of the provisions of this Paragraph 13.a. or release Tenant from its obligation to comply with the provisions of this Lease and Tenant shall remain fully and primarily liable for all of Tenant's obligations under this Lease.

b. Processing Expenses. Tenant shall pay to Landlord, as Landlord's cost of processing each proposed assignment or subletting, an amount equal to the sum of (i) Landlord's reasonable attorneys' and other professional fees, plus (ii) the sum of One Thousand Dollars ($1,000.00) for the cost of Landlord's administrative, accounting and clerical time (collectively, "**Processing Costs**"), and the amount of all out-of-pocket costs (if any) reasonably incurred by Landlord in connection with the assignee or sublessee taking occupancy of the subject space. Notwithstanding anything to the contrary herein, Landlord shall not be required to process any request for Landlord's consent to an assignment or subletting until Tenant has paid to Landlord the amount of Landlord's estimate of the Processing Costs and all other direct and indirect costs and expenses of Landlord and its agents arising from the assignee or subtenant taking occupancy.

c. Consideration to Landlord. In the event of any assignment or sublease (except to the extent covered under Paragraph 13.h. below), Landlord shall be entitled to receive, as additional rent hereunder, fifty percent (50%) of any consideration (including, without limitation, payment for leasehold improvements) paid by the assignee or subtenant for the assignment or sublease, and, in the case of a sublease, fifty percent (50%) of the excess of the amount of rent paid for the sublet space by the subtenant over the amount of Monthly Rent under Paragraph 5 above and Additional Rent under Paragraph 7 above attributable to the sublet space for the corresponding month; except that Tenant may recapture, on a straight line amortized basis over the term of the sublease or assignment, (i) brokerage commissions paid by Tenant in connection with the subletting or assignment (not to exceed commissions typically paid in the market at the time of such subletting or assignment), and (ii) reasonable legal fees incurred by Tenant in connection with such assignment

or subletting (provided that Tenant shall submit to Landlord evidence reasonably acceptable to Landlord of such legal fees actually paid by Tenant, which evidence shall include copies of the applicable attorney bills), and (iii) any improvement allowance or construction costs incurred by Tenant in connection with the assignment or sublease and (iv) any free rent concessions given to the subtenant or assignee by Tenant (collectively the "**Assignment or Subletting Costs**"), provided that, as a condition to Tenant recapturing the Assignment or Subletting Costs, Tenant shall provide to Landlord, within ninety (90) days of Landlord's execution of Landlord's consent to the assignment or subletting, a detailed accounting of the Assignment or Subletting Costs and supporting documents, such as receipts and construction invoices. To effect the foregoing, Tenant shall deduct from the monthly amounts received by Tenant from the subtenant or assignee as rent or consideration (i) the Monthly Rent and Additional Rent payable by Tenant to Landlord for the subject space and (ii) the incremental amount, on an amortized basis, of the Assignment or Subletting Costs, and fifty percent (50%) of the then remaining sum shall be paid promptly to Landlord. Upon Landlord's request, Tenant shall assign to Landlord all amounts to be paid to Tenant by any such subtenant or assignee and that belong to Landlord and shall direct such subtenant or assignee to pay the same directly to Landlord. If there is more than one sublease under this Lease, the amounts (if any) to be paid by Tenant to Landlord pursuant to this Paragraph 13.c. shall be separately calculated for each sublease and amounts due Landlord with regard to any one sublease may not be offset against rental and other consideration pertaining to or due under any other sublease. 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 Paragraph 13.c.

d. Procedures. If Tenant desires to assign this Lease or any interest therein or sublet all or part of the Premises, Tenant shall give Landlord written notice thereof and the terms proposed (the "**Sublease Notice**"), which Sublease Notice shall be accompanied by Tenant's proposed assignment or sublease agreement (in which the proposed assignee or subtenant shall be named, shall be executed by Tenant and the proposed assignee or subtenant, and which agreement shall otherwise meet the requirements of Paragraph 13.e. below), together with a current financial statement of such proposed assignee or subtenant and any other information reasonably requested by Landlord. Landlord shall have the prior right and option (to be exercised by written notice to Tenant given within fifteen (15) Business Days after receipt of Tenant's notice) (i) in the event of an assignment of the Lease (other than a transaction meeting the requirements of Paragraph 13.h below), to terminate this Lease in its entirety, (ii) in the event of a sublease (other than a transaction meeting the requirements of Paragraph 13.h below) of all or part of the Premises with a term (including all renewal terms) that will expire during the final year of the Lease term, to terminate this Lease as to the portion of the Premises covered by the proposed sublease or (iii) to approve or reasonably disapprove the proposed assignment or sublease. If Landlord fails to exercise an applicable option to terminate, this shall not be construed as or constitute a waiver of any of the provisions of Paragraphs 13.a., b., c. or d. herein as to any future assignment or subletting. If Landlord exercises an option to terminate the Lease pursuant to clause (i) or (ii) above, Tenant may revoke Tenant's request for Landlord's consent to the subject assignment or subletting by providing Landlord with written notice of such revocation (the "**Revocation Notice**") not later than five (5) days following Landlord's delivery to Tenant of Landlord's termination notice and, upon Tenant's timely delivery of the Renovation Notice, the Lease shall continue in effect as if Tenant's request for Landlord's consent to the subject assignment or sublease had not been made. If Landlord exercises an option to terminate under clause (ii) above as to a portion of the Premises, any costs of demising the portion of the Premises affected by such termination shall be borne one-half by Landlord and one-half by Tenant. In addition, Landlord shall have no liability for any real estate brokerage commission(s) or with respect to any of the costs and expenses that Tenant may have incurred in connection with its proposed assignment or subletting, and Tenant agrees to indemnify, defend and hold Landlord and all other Indemnitees harmless from and against any and all Claims (as defined in Paragraph 14.b. below), including, without limitation, claims for commissions, arising from such proposed assignment or subletting. Landlord's foregoing rights and options shall continue throughout the entire term of this Lease.

e. Documentation. 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 sole and absolute 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. The failure or refusal of a subtenant or assignee to execute any such instrument shall not release or discharge the subtenant or assignee from its liability as set forth above. Notwithstanding the foregoing, however, no subtenant or assignee shall be permitted to occupy the Premises or any portion thereof unless and until such subtenant or assignee provides Landlord with certificates evidencing that such subtenant or assignee is carrying all insurance coverage required of such subtenant or assignee under this Lease.

f. No Merger. Without limiting any of the provisions of this Paragraph 13, if Tenant has entered into any subleases of any portion of the Premises, the voluntary or other surrender of this Lease by Tenant, or a mutual cancellation by Landlord and Tenant, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing subleases or subtenancies or, at the option of Landlord, operate as an assignment to Landlord of any or all such subleases or subtenancies. If Landlord does elect that such surrender or cancellation operate as an assignment of such subleases or subtenancies, Landlord shall in no way be liable for any previous act or omission by Tenant under the subleases or for the return of any deposit(s) under the subleases that have not been actually delivered to Landlord, nor shall Landlord be bound by any sublease modification(s) executed without Landlord's consent or for any advance rental payment by the subtenant in excess of one month's rent.

g. Special Transfer Prohibitions. Notwithstanding anything set forth above to the contrary, Tenant may not (a) sublet the Premises or assign this Lease to any person or entity in which Landlord owns an interest, directly or indirectly (by applying constructive ownership rules set forth in Section 856(d)(5) of the Internal Revenue Code (the "**Code**"); or (b) sublet the Premises or assign this Lease in any other manner which could cause any portion of the amounts received by Landlord pursuant to this Lease or any sublease to fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Code, or which could cause any other income received by Landlord to fail to qualify as income described in Section 856(c)(2) of the Code.

h. Affiliates. Notwithstanding anything to the contrary in Paragraphs 13.a., 13.c., and 13.d., but subject to Paragraphs, 13.b., 13.e. and 13.f., Landlord's consent shall not be required for (x) an assignment or sublease to any partnership, corporation or other entity which controls, is controlled by, or is under common control with Tenant or Tenant's parent (control being defined for such purposes as ownership of at least 50% of the equity interests in, and the power to direct the management of, the relevant entity), or to any partnership, corporation or other entity resulting from a merger or consolidation with Tenant or Tenant's parent, or to any person or entity which acquires all or substantially all the assets of Tenant as a going concern (including by means of a purchase of all or substantially all of Tenant's stock) or (y) an assignment resulting from a transfer of Control covered under item (i) or (ii) of the third grammatical paragraph of Paragraph 13.a. above (with the resulting assignee or subtenant under (x) or (y) being referred to hereinafter as an "**Affiliate**"); provided that (i) Landlord receives at least ten (10) days' prior written notice of the assignment or subletting, together with evidence that the requirements of this Paragraph 13.h. have been met, (ii) the Affiliate's net worth is not less than Tenant's net worth as of the date of this Lease or as of the date immediately prior to the assignment or subletting (or series of transactions of which the same is a part), whichever is greater, (iii) except in the case of an assignment where the assignor is dissolved as a matter of law following the series of transactions of which the assignment is a part (e.g. a merger) and where such assignor makes sufficient reserves for contingent liabilities (including its obligations under this Lease) as required by applicable law, the Affiliate remains an Affiliate for the duration of the subletting or the balance of the term in the event of an assignment, (iv) the Affiliate assumes (in the event of an assignment) in writing all of Tenant's obligations under this Lease, and agrees (in the event of a sublease) that such subtenant will, at Landlord's election, attorn directly to Landlord in the event that this Lease is terminated for any reason, (v) Landlord receives a fully executed copy of an assignment or sublease agreement between Tenant and the Affiliate, (vi) in the case of an assignment by means of a purchase of all or substantially all of Tenant's stock, the essential purpose of such assignment is to transfer an active, ongoing business with substantial assets in addition to this Lease, and in the case of an assignment (by any means), or a sublease, the transaction is for legitimate business purposes unrelated to this Lease and the transaction is not a subterfuge by Tenant to avoid it obligations under this Lease or the restrictions on assignment and subletting contained herein, and (vii) in the case of a sublease, the Affiliate executes and Tenant delivers to Landlord a fully executed counterpart of Landlord's waiver and acknowledgement form for an Affiliate sublease. The Processing Costs provided for in Paragraph 13.b. above shall be limited to Landlord's reasonable attorneys' fees. Paragraph 13.c. shall be inapplicable to an assignment or sublease to an Affiliate hereunder.

14. Indemnification of Landlord.

a. Landlord and the holders of any Superior Interests (as defined in Paragraph 21 below) shall not be liable to Tenant and Tenant hereby waives all claims against such parties for any loss, injury or other damage to person or property in or about the Premises or the Real Property from any cause whatsoever, including without limitation, water leakage of any character from the roof, walls, basement, fire sprinklers, appliances, air conditioning, plumbing or other portion of the Premises or the Real Property, or gas, fire, explosion, falling plaster, steam, electricity, or any malfunction within the Premises or the Real Property, or acts of other tenants of the Building; provided, however, that, subject to Paragraph 16 below and to the provisions of Paragraph 28 below regarding exculpation of Landlord from Special Claims, the foregoing waiver shall be inapplicable to any loss, injury or damage resulting directly from the gross negligence or willful misconduct of Landlord or its authorized representatives.

b. Tenant shall hold Landlord and the holders of any Superior Interest, and the constituent shareholders, partners or other owners thereof, and all of their agents, contractors, servants, officers, directors, employees and licensees (collectively with Landlord, the "**Indemnitees**") harmless from and indemnify the Indemnitees against any and all claims, liabilities, damages, costs and expenses, including reasonable attorneys' fees and costs incurred in defending against the same (collectively, "**Claims**"), to the extent arising from (a) the acts or omissions of Tenant or any other Tenant Parties (as defined in Paragraph 8.c. above) in, on or about the Real Property, or (b) any construction or other work undertaken by or contracted for by Tenant in, on or about the Premises, whether prior to or during the term of this Lease, or (c) any Event of Default under this Lease by Tenant, or (d) any accident, injury or damage, howsoever and by whomsoever caused, to any person or property, occurring in, on or about the Premises; except to the extent such Claims are caused by the negligence or willful misconduct of Landlord or its authorized representatives. In case any action or proceeding be brought against any of the Indemnitees by reason of any such Claim, Tenant, upon notice from Landlord, covenants to resist and defend at Tenant's sole expense such action or proceeding by counsel reasonably satisfactory to Landlord. The provisions of this Paragraph 14.b. shall survive the expiration or earlier termination of this Lease with respect to any injury, illness, death or damage occurring prior to such expiration or termination.

Notwithstanding anything to the contrary in this Paragraph 14 or in any other provision of this Lease (including, without limitation, Paragraph 25.b. below), with respect to any indemnity obligation of Tenant arising at any time during the period (the "**Construction Period**") commencing on the date of this Lease and ending on the date that Landlord delivers the Premises to Tenant with the Tenant Improvements Substantially Complete (regardless of the occurrence of any Tenant Delay and without regard to the effect of any provision of the Lease pursuant to which the date of Substantial Completion of the Tenant Improvements is deemed to occur in advance of its actual occurrence), (A) the term "**Indemnitees**" shall mean and shall be limited to SRI Eleven ROW LLC, a Delaware limited liability company (or any entity that that succeeds to such entity's interest as Landlord under this Lease) and shall not include any other person or entity; provided, however, that Landlord may include in any claim owed by Tenant to Landlord any amount which Landlord shall pay or be obligated to indemnify any other person or entity, and (B) any indemnity obligation shall be limited to losses caused by, or arising as a result of any act or failure to act of, Tenant or Tenant's employees, agents or contractors. For avoidance of doubt, nothing in this grammatical paragraph shall release Tenant from, or diminish in any manner, Tenant's obligations to SRI Eleven ROW LLC, a Delaware limited liability company (or any entity that that succeeds to such entity's interest as Landlord under this Lease) for the rent provided for under Paragraphs 2.c , 5 and 7 of this Lease for the full term of this Lease, as contemplated under Paragraph 2.b. and 3.a. above.

15. Insurance.

a. Tenant's Insurance; Coverage Amounts. Tenant shall, at Tenant's expense, maintain during the term of this Lease (and, if Tenant occupies or conducts activities in or about the Premises prior to or after the term hereof, then also during such pre-term or post-term period): (i) commercial general liability insurance including contractual liability coverage, with minimum coverages of Five Million Dollars ($5,000,000.00) per occurrence combined single limit for bodily injury and property damage, Five Million Dollars ($5,000,000.00) for products-completed operations coverage, One Hundred Thousand Dollars ($100,000.00) fire legal liability, Five Million Dollars ($5,000,000.00) for personal and advertising injury, with a Five Million Dollars ($5,000,000.00) general aggregate limit, for injuries to, or illness or death of, persons and damage to property occurring in or about the Premises or otherwise resulting from Tenant's operations in the Building, provided that the foregoing coverage amounts may be provided through any combination of primary and umbrella/excess coverage policies; (ii) property insurance protecting Tenant against loss or damage by fire and such other risks as are insurable under then-available standard forms of "special form" (previously known as "all risk") insurance policies (excluding earthquake and flood but including water damage and earthquake sprinkler leakage), covering Tenant's personal property

and trade fixtures in or about the Premises or the Real Property, and 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 Lease term), for the full replacement value thereof without deduction for depreciation; (iii) workers' compensation insurance in statutory limits; (iv) at least three months' coverage for loss of business income and continuing expenses, providing protection against any peril included within the classification "special form" insurance, excluding earthquake and flood but including water damage and earthquake sprinkler leakage; and (v) if Tenant operates owned, leased or non-owned vehicles on the Real Property, comprehensive automobile liability insurance with a minimum coverage of Two Million Dollars ($2,000,000.00) per occurrence, combined single limit; provided that the foregoing coverage amount may be provided through any combination of primary and umbrella/excess coverage policies. In no event shall any insurance maintained by Tenant hereunder or required to be maintained by Tenant hereunder be deemed to limit or satisfy Tenant's indemnification or other obligations or liability under this Lease. Landlord reserves the right to increase the foregoing amount of liability coverage from time to time (but not more than once in any two (2) year period) as Landlord reasonably determines is required to adequately protect Landlord and the other parties designated by Landlord from the matters insured thereby; provided, however, such increased amounts shall not materially exceed the greater of (a) those amounts customarily required by institutional owners of comparable buildings in the San Jose, Sunnyvale and Santa Clara commercial office market areas, with comparable improvements, or (b) those amounts required to provide Landlord with the same relative protection as the amounts set forth above as of the date of this Lease. Landlord makes no representation that the limits of liability required hereunder from time to time shall be adequate to protect Tenant. Landlord may require that Tenant cause any of its contractors, vendors, movers or other parties conducting activities in or about or occupying the Premises to obtain and maintain insurance as reasonably determined by Landlord and as to which Landlord and such other parties reasonably designated by Landlord shall be additional insureds.

b. Policy Form. Each insurance policy required pursuant to Paragraph 15.a. above shall be issued by an insurance company authorized to do business in the State of California and with a general policyholders' rating of "A-" or better and a financial size ranking of "Class VIII" or higher in the most recent edition of Best's Insurance Guide. Tenant shall provide Landlord with not less than ten (10) days' prior written notice if an insurance policy obtained by Tenant hereunder is materially changed, cancelled or will be allowed to lapse. If any of the above policies are subject to deductibles, the deductible amounts shall not exceed amounts approved in advance in writing by Landlord. The liability policies and any umbrella/excess coverage policies carried pursuant to clauses (i) and (v) of Paragraph 15.a. above shall (i) name Landlord and all the other Indemnitees and any other parties designated by Landlord as additional insureds, (ii) provide that no act or omission of Tenant shall affect or limit the obligations of the insurer with respect to any other insured and (iii) provide that the policy and the coverage provided shall be primary, that Landlord, although an additional insured, shall nevertheless be entitled to recovery under such policy for any damage to Landlord or the other Indemnitees by reason of acts or omissions of Tenant, and that any coverage carried by Landlord shall be noncontributory with respect to policies carried by Tenant. The property insurance policy carried under item (ii) of Paragraph 15.a. above shall include all waiver of subrogation rights endorsements necessary to effect the provisions of Paragraph 16 below. A certificate of each such insurance policy required of Tenant pursuant to this Paragraph 15 shall be delivered to Landlord by Tenant on or before the effective date of such policy and thereafter Tenant shall deliver to Landlord renewal certificates at least ten (10) days prior to the expiration dates of expiring policies. If Tenant fails to procure such insurance or to deliver such certificates, Landlord may, at its option, procure the same for Tenant's account, and the cost thereof shall be paid to Landlord by Tenant upon demand. Landlord may at any time, and from time to time, inspect and/or copy any and all insurance policies required by this Lease.

c. No Implication. Nothing in this Paragraph 15 shall be construed as creating or implying the existence of (i) any ownership by Tenant of any fixtures, additions, Alterations, or improvements in or to the Premises or (ii) any right on Tenant's part to make any addition, Alteration or improvement in or to the Premises.

16. Mutual Waiver of Subrogation Rights. Each party hereto hereby releases the other respective party and, in the case of Tenant as the releasing party, the other Indemnitees, and the respective partners, shareholders, agents, employees, officers, directors and authorized representatives of such released party, from any claims such releasing party may have for damage to the Building, the Premises or any of such releasing party's fixtures, personal property, improvements and alterations in or about the Premises, the Building or the Real Property that is caused by or results from risks insured against under any "special form" insurance policies actually carried by such releasing party or deemed to be carried by such releasing party; provided, however, that such waiver shall be limited to the extent of the net insurance proceeds payable by the relevant insurance company with respect to such loss or damage (or in the case of deemed coverage, the net proceeds that would have been payable). For purposes of this Paragraph 16, Tenant shall be deemed to be carrying any of the

insurance policies required pursuant to Paragraph 15 but not actually carried by Tenant, and Landlord shall be deemed to carry standard fire and extended coverage policies on the Real Property. Each party hereto shall cause each such fire and extended coverage insurance policy obtained by it to provide that the insurance company waives all rights of recovery by way of subrogation against the other respective party and the other released parties in connection with any matter covered by such policy.

17. Utilities.

a. Tenant shall pay directly for all utilities and services supplied to the Premises, including but not limited to electricity, telephone, security, gas, sewer, water, and cleaning of the Premises, together with any taxes thereon; provided that, if any particular utility or service provided to Tenant or the Premises is not billed or metered separately to Tenant (collectively, "**Utility Expenses**"), Tenant shall pay to Landlord Tenant's Share of such Utility Expenses. If Landlord reasonably determines that Tenant's Share of Utility Expenses is not commensurate with Tenant's use of such services, Tenant shall pay to Landlord the amount which is attributable to Tenant's use of the utilities or similar services, as reasonably estimated and determined by Landlord, based upon factors such as size of the Premises and intensity of use of such utilities by Tenant such that Tenant shall pay the portion of such charges reasonably consistent with Tenant's use of such utilities and similar services. If Tenant disputes any such estimate or determination, then Tenant shall either pay the estimated amount or cause the Premises to be separately metered at Tenant's sole expense.

b. Utility Connections. Tenant shall not connect or use any apparatus or device in the Premises which would exceed the capacity of the existing panel or transformer serving the Premises. Tenant shall not connect with electric current (except through existing outlets in the Premises or such additional outlets as may be installed in the Premises as part of initial improvements or Alterations approved by Landlord), or water pipes, any apparatus or device for the purpose of using electrical current or water.

Landlord will not permit additional coring or channeling of the floor of the Premises in order to install new electric outlets in the Premises unless Landlord is satisfied, on the basis of such information to be supplied by Tenant at Tenant's expense, that coring and/or channeling of the floor in order to install such additional outlets will not weaken the structure of the floor.

c. Interruption of Services. In the event of an interruption in, or failure of any service or utility for the Premises for any reason, such interruption, failure or inability shall not constitute an eviction of Tenant, constructive or otherwise, or impose upon Landlord any liability whatsoever, including, but not limited to, liability for consequential damages or loss of business by Tenant, or entitle Tenant to any abatement or offset of Monthly Rent, Additional Rent or any other amounts due from Tenant under this Lease. 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.

d. Governmental Controls. In the event any governmental authority having jurisdiction over the Real Property or the Building promulgates or revises any Legal Requirement or building, fire or other code or imposes mandatory or voluntary controls or guidelines on Landlord or the Real Property or the Building relating to the use or conservation of energy or utilities or the reduction of automobile or other emissions (collectively, "**Controls**") or in the event Landlord is required or elects to make alterations to the Real Property or the Building in order to comply with such mandatory or voluntary Controls, Landlord may, in its sole discretion, comply with such Controls or make such alterations to the Real Property or the Building related thereto. Such compliance and the making of such alterations shall not constitute an eviction of Tenant, constructive or otherwise, or impose upon Landlord any liability whatsoever, including, but not limited to, liability for consequential damages or loss of business by Tenant.

Without limitation of any provision of Paragraph 8.b. above (entitled "Compliance with Law"), Tenant shall, upon Landlord's written request, deliver to Landlord information relating to the Premises that is necessary for the Building to earn and maintain performance certifications (including, without limitation, ENERGY STAR and LEED certification), which information shall be in sufficient detail for the Building to comply with the applicable certification criteria and/or requirements, including, without limitation, those applicable to data centers and to any other particular use that is subject to special certification criteria and/or requirements.

18. Personal Property and Other Taxes. Tenant shall pay, prior to delinquency, any and all taxes, fees, charges or other governmental impositions levied or assessed against Landlord or Tenant (a) upon Tenant's equipment, furniture, fixtures, improvements and other personal property (including carpeting installed by Tenant) located in the Premises, (b) by virtue of any Alterations made by Tenant to the Premises, and (c) upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises. If any such fee, charge or other governmental imposition is paid by Landlord, Tenant shall reimburse Landlord for Landlord's payment upon demand.

19. Rules and Regulations. Tenant shall comply with the rules and regulations set forth on Exhibit B attached hereto, as such rules and regulations may be modified or amended by Landlord from time to time (the "**Rules and Regulations**"). Landlord shall not be responsible to Tenant for the nonperformance or noncompliance by any other tenant or occupant of the Building of or with any of the Rules and Regulations. In the event of any conflict between the Rules and Regulations and the balance of this Lease, the balance of this Lease shall control.

20. Surrender; Holding Over.

a. Surrender. Upon the expiration or other termination of this Lease, Tenant shall surrender the Premises to Landlord vacant and broom-clean, with all improvements and Alterations (except as provided below) in their original condition, except for reasonable wear and tear, damage from casualty or condemnation and any changes resulting from approved Alterations; provided, however, that prior to the expiration or termination of this Lease Tenant shall remove from the Premises any Alterations and any portions of the Tenant Improvements that Tenant is required by Landlord to remove pursuant to Paragraphs 4. i. or 9.b. above, and all of Tenant's personal property (including, without limitation, all voice and data cabling) and trade fixtures. If such removal is not completed at the expiration or other termination of this Lease, Landlord may remove the same at Tenant's expense. Any damage to the Premises or the Building caused by such removal shall be repaired promptly by Tenant (including the patching or repairing of ceilings and walls) or, if Tenant fails to do so, Landlord may do so at Tenant's expense. The removal of Alterations from the Premises shall be governed by Paragraph 9 above. Tenant's obligations under this paragraph shall survive the expiration or other termination of this Lease. Upon expiration or termination of this Lease or of Tenant's possession, Tenant shall surrender all keys to the Premises or any other part of the Building and shall make known to Landlord the combination of locks on all safes, cabinets and vaults that may be located in the Premises.

b. Holding Over. If Tenant remains in possession of the Premises after the expiration or earlier termination of this Lease with the express written consent of Landlord, Tenant's occupancy shall be a month-to-month tenancy at a rent agreed upon by Landlord and Tenant in writing; provided, however, if Landlord has consented to the holdover in writing, but Landlord and Tenant did not agree in writing on the rent during the holdover period, the monthly rent during the holdover period shall be one hundred fifty percent (150%) of the Monthly Rent and Additional Rent payable under this Lease during the last full month prior to the date of the expiration or earlier termination of this Lease. Except as provided in the preceding sentence, the month-to-month tenancy shall be on the terms and conditions of this Lease, except that any renewal options, expansion options, rights of first refusal, rights of first negotiation or any other rights or options pertaining to additional space in the Building contained in this Lease shall be deemed to have terminated and shall be inapplicable thereto. Landlord's acceptance of rent after such holding over with Landlord's written consent shall not result in any other tenancy or in a renewal of the original term of this Lease. If Tenant remains in possession of the Premises after the expiration or earlier termination of this Lease without Landlord's consent, Tenant's continued possession shall be on the basis of a tenancy at sufferance and Tenant shall pay as Monthly Rent during the holdover period an amount equal to (i) for the first thirty (30) days of such holdover without consent, one hundred fifty percent (150%) of the Monthly Rent and Additional Rent payable under this Lease for the last full month prior to the date of such expiration or termination, (ii) for the thirty-first (31st) through sixtieth (60th) days of any such holdover without consent, the aforementioned percentage shall increase to one hundred seventy percent (175%) and (iii) thereafter during such holdover without consent, the percentage shall be increased to two hundred percent (200%).

c. Indemnification. Tenant shall indemnify, defend and hold Landlord harmless from and against all Claims incurred by or asserted against Landlord and arising directly or indirectly from Tenant's failure to timely surrender the Premises, including but not limited to (i) any rent payable by or any loss, cost, or damages, including lost profits, claimed by any prospective tenant of the Premises or any portion thereof, and (ii) Landlord's damages as a result of such prospective tenant rescinding or refusing to enter into the prospective lease of the Premises or any portion thereof by reason of such failure to timely surrender the Premises.

21. Subordination and Attornment. This Lease is expressly made subject and subordinate to any mortgage, deed of trust, ground lease, underlying lease or like encumbrance affecting any part of the Real Property or any interest of Landlord therein which is now existing or hereafter executed or recorded, any present or future modification, amendment or supplement to any of the foregoing, and to any advances made thereunder (any of the foregoing being a "**Superior Interest**") without the necessity of any further documentation evidencing such subordination.

Notwithstanding the foregoing, Tenant shall, within ten (10) Business Days after Landlord's request, execute and deliver to Landlord a document evidencing the subordination of this Lease to a particular Superior Interest, provided that such document (a "**SNDA**") contains such lender's customary and commercially reasonable non-disturbance provisions. If the interest of Landlord in the Real Property or the Building is transferred to any person ("**Purchaser**") pursuant to or in lieu of foreclosure or other proceedings for enforcement of any Superior Interest, Tenant shall immediately attorn to the Purchaser, and this Lease shall continue in full force and effect as a direct lease between the Purchaser and Tenant on the terms and conditions set forth herein, provided that Purchaser acquires and accepts the Real Property or the Building subject to this Lease. Upon Purchaser's request, including any such request made by reason of the termination of this Lease as a result of such foreclosure or other proceedings, Tenant shall enter in to a new lease with Purchaser on the terms and conditions of this Lease applicable to the remainder of the term hereof. Notwithstanding the subordination of this Lease to Superior Interests as set forth above, the holder of any Superior Interest may at any time (including as part of foreclosure or other proceedings for enforcement of such Superior Interest), upon written notice to Tenant, elect to have this Lease be prior and superior to such Superior Interest. In the event of any inconsistency between an SNDA received by Tenant pursuant to the above and any other provision of this Paragraph 21, the provisions of the SNDA shall govern as to that lender.

22. Financing Condition. If any lender or ground lessor that intends to acquire an interest in, or holds a mortgage, ground lease or deed of trust encumbering any portion of the Real Property should require either the execution by Tenant of an agreement requiring Tenant to send such lender written notice of any default by Landlord under this Lease and giving such lender the right to cure such default until such lender has completed foreclosure, and preventing Tenant from terminating this Lease (to the extent such termination right would otherwise be available) unless such default remains uncured after foreclosure has been completed, and/or any modification of the agreements, covenants, conditions or provisions of this Lease, then Tenant agrees that it shall, within ten (10) days after Landlord's request, execute and deliver such agreement and modify this Lease as required by such lender or ground lessor; provided, however, that no such modification shall affect the length of the term or increase the rent payable by Tenant under Paragraphs 5 and 7. Tenant acknowledges and agrees that its failure to timely execute any such agreement or modification required by such lender or ground lessor may cause Landlord serious financial damage by causing the failure of a financing transaction and giving Landlord all of its rights and remedies under Paragraph 25 below, including its right to damages caused by the loss of such financing.

If Tenant receives a SNDA from a particular lender under Paragraph 21 above, then, in the event of any inconsistency between the terms of the SNDA and the terms of this Paragraph 22, the terms of the SNDA shall govern as to that lender.

23. Entry by Landlord. Landlord may, at any and all reasonable times and upon reasonable advance notice, enter the Premises to (a) for reasonable cause, inspect the same and to determine whether Tenant is in compliance with its obligations hereunder, (b) supply janitorial and any other service Landlord is required to provide hereunder, (c) show the Premises to prospective lenders or purchasers and, during the final fifteen (15) months of the Lease term, to prospective tenants, (d) post notices of non-responsibility, and (e) alter, improve or repair the Premises or any other portion of the Real Property. In connection with any such alteration, improvement or repair, Landlord may erect in the Premises or elsewhere in the Real Property scaffolding and other structures reasonably required for the work to be performed. In no event shall such entry or work entitle Tenant to an abatement of rent, constitute an eviction of Tenant, constructive or otherwise, or impose upon Landlord any liability whatsoever, including but not limited to liability for consequential damages or loss of business or profits by Tenant. Landlord shall use good faith efforts to cause all such work to be done in such a manner as to cause as little interference to Tenant as reasonably possible without incurring additional expense. Landlord shall at all times retain a key with which to unlock all of the doors in the Premises, except Tenant's vaults and safes. If an emergency necessitates immediate access to the Premises, Landlord may use whatever force is necessary to enter the Premises and any such entry to the Premises shall not constitute a forcible or unlawful entry into the Premises, a detainer of the Premises, or an eviction of Tenant from the Premises, or any portion thereof.

24. Insolvency or Bankruptcy. The occurrence of any of the following shall constitute an Event of Default under Paragraph 25 below:

a. Tenant ceases doing business as a going concern, makes an assignment for the benefit of creditors, is adjudicated an insolvent, files a petition (or files an answer admitting the material allegations of such petition) seeking for Tenant any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar arrangement under any state or federal bankruptcy or other law, or Tenant consents to or acquiesces in the appointment, pursuant to any state or federal bankruptcy or other law, of a trustee, receiver or liquidator for the Premises, for Tenant or for all or any substantial part of Tenant's assets; or

b. Tenant fails within sixty (60) days after the commencement of any proceedings against Tenant seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any state or federal bankruptcy or other Legal Requirement, to have such proceedings dismissed, or Tenant fails, within sixty (60) days after an appointment pursuant to any state or federal bankruptcy or other Legal Requirement without Tenant's consent or acquiescence, of any trustee, receiver or liquidator for the Premises, for Tenant or for all or any substantial part of Tenant's assets, to have such appointment vacated; or

c. Tenant is unable, or admits in writing its inability, to pay its debts as they mature; or

d. Tenant gives notice to any governmental body of its insolvency or pending insolvency, or of its suspension or pending suspension of operations.

In no event shall this Lease be assigned or assignable by reason of any voluntary or involuntary bankruptcy, insolvency or reorganization proceedings, nor shall any rights or privileges hereunder be an asset of Tenant, the trustee, debtor-in-possession, or the debtor's estate in any bankruptcy, insolvency or reorganization proceedings.

25. Default and Remedies.

a. Events of Default. The occurrence of any of the following shall constitute an "**Event of Default**" by Tenant:

1. Tenant fails to pay Monthly Rent, Additional Rent or any other rent due hereunder within five (5) Business Days following written notice from Landlord that such sum is past due; or

2. Intentionally Deleted; or

3. Tenant fails to deliver any estoppel certificate pursuant to Paragraph 29 below, subordination agreement pursuant to Paragraph 21 above, or document required pursuant to Paragraph 22 above, within the applicable period set forth therein; or

4. Tenant violates the bankruptcy and insolvency provisions of Paragraph 24 above; or

5. Tenant makes or has made or furnishes or has furnished any warranty, representation or statement to Landlord in connection with this Lease, or any other agreement made by Tenant for the benefit of Landlord, which is or was false or misleading in any material respect when made or furnished; or

6. Tenant assigns this Lease or subleases any portion of the Premises in violation of Paragraph 13 above; or

7. The default by any guarantor of Tenant's obligations under this Lease of any provision of such guarantor's guaranty, or the attempted repudiation or revocation of any such guaranty or any provision thereof, or the application of items 4 or 5 of this Paragraph 25.a. with the reference to "Tenant" therein being deemed to refer instead to such guarantor; or

8. Intentionally Deleted; or

9. Tenant fails to comply with any other provision of this Lease in the manner required pursuant to this Lease within thirty (30) days after written notice from Landlord of such failure (or if the noncompliance cannot by its nature be cured within the 30 day period, if Tenant fails to commence to cure such noncompliance within the 30 day period or thereafter fails to diligently prosecute such cure to completion); except that such thirty (30) day period for the commencement of the cure shall be shortened to the shorter time period set forth in Landlord's written notice to Tenant if such shorter time period is reasonably necessary to protect the tenants and occupants of the Real Property from imminent danger or to prevent further damage or loss to property or to avoid a violation (or continuance of any violation) by Landlord of any Legal Requirement for which Landlord is likely to be subject to penalty or fine.

b. Remedies. Upon the occurrence of an Event of Default Landlord shall have the following remedies, which shall not be exclusive but shall be cumulative and shall be in addition to any other remedies now or hereafter allowed by law:

1. Landlord may terminate Tenant's right to possession of the Premises at any time by written notice to Tenant. Tenant expressly acknowledges that in the absence of such written notice from Landlord, no other act of Landlord, including, but not limited to, its re-entry into the Premises, its efforts to relet the Premises, its reletting of the Premises for Tenant's account, its storage of Tenant's personal property and trade fixtures, its acceptance of keys to the Premises from Tenant, its appointment of a receiver, or its exercise of any other rights and remedies under this Paragraph 25 or otherwise at law, shall constitute an acceptance of Tenant's surrender of the Premises or constitute a termination of this Lease or of Tenant's right to possession of the Premises.

Upon such termination in writing of Tenant's right to possession of the Premises, this Lease shall terminate and Landlord shall be entitled to recover damages from Tenant as provided in California Civil Code Section 1951.2 or any other applicable existing or future Legal Requirement providing for recovery of damages for such breach, including but not limited to the following:

(i) The reasonable cost of recovering the Premises; plus

(ii) The reasonable cost of removing Tenant's Alterations, trade fixtures and improvements; plus

(iii) All unpaid rent due or earned hereunder prior to the date of termination, less the proceeds of any reletting or any rental received from subtenants prior to the date of termination applied as provided in Paragraph 25.b.2. below, together with interest at the Interest Rate, on such sums from the date such rent is due and payable until the date of the award of damages; plus

(iv) The amount by which the rent which would be payable by Tenant hereunder, including Additional Rent under Paragraph 7 above, as reasonably estimated by Landlord, from the date of termination until the date of the award of damages, exceeds the amount of such rental loss as Tenant proves could have been reasonably avoided, together with interest at the Interest Rate on such sums from the date such rent is due and payable until the date of the award of damages; plus

(v) The amount by which the rent which would be payable by Tenant hereunder, including Additional Rent under Paragraph 7 above, as reasonably estimated by Landlord, for the remainder of the then term, after the date of the award of damages exceeds the amount such rental loss as Tenant proves could have been reasonably avoided, discounted at the discount rate published by the Federal Reserve Bank of San Francisco for member banks at the time of the award plus one percent (1%); plus

(vi) Such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law, including without limitation 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.

2. Landlord has the remedy described in California Civil Code Section 1951.4 (a landlord may continue the lease in effect after the tenant's breach and abandonment and recover rent as it becomes due, if the tenant has the right to sublet and assign subject only to reasonable limitations), and may continue this Lease in full force and effect and may enforce all of its rights and remedies under this Lease, including, but not limited to, the right to recover rent as it becomes due. After the occurrence of an Event of Default, Landlord may enter the Premises without terminating this Lease and sublet all or any part of the Premises for Tenant's account to any person, for such term (which may be a period beyond the remaining term of this Lease), at such rents and on such other terms and conditions as Landlord deems advisable. In the event of any such subletting, rents received by Landlord from such subletting shall be applied (i) first, to the payment of the costs of maintaining, preserving, altering and preparing the Premises for subletting, the other costs of subletting, including but not limited to brokers' commissions, attorneys' fees and expenses of removal of Tenant's personal property, trade fixtures and Alterations; (ii) second, to the payment of rent then due and payable hereunder; (iii) third, to the payment of future rent as the same may become due and payable hereunder; (iv) fourth, the balance, if any, shall be paid to Tenant upon (but not before) expiration of the term of this Lease. If the rents received by Landlord from such subletting, after application as provided above, are insufficient in any month to pay the rent due and payable hereunder for such month, Tenant shall pay such deficiency to Landlord monthly upon demand. Notwithstanding any such subletting for Tenant's account without termination, Landlord may at any time thereafter, by written notice to Tenant, elect to terminate this Lease by virtue of a previous Event of Default.

During the continuance of an Event of Default, for so long as Landlord does not terminate Tenant's right to possession of the Premises and subject to Paragraph 13, entitled Assignment and Subletting, and the options granted to Landlord thereunder, Landlord shall not unreasonably withhold its consent to an assignment or sublease of Tenant's interest in the Premises or in this Lease.

3. During the continuance of an Event of Default, Landlord may enter the Premises without terminating this Lease and remove all Tenant's personal property, Alterations and trade fixtures from the Premises and store them at Tenant's risk and expense. If Landlord removes such property from the Premises and stores it at Tenant's risk and expense, and if Tenant fails to pay the cost of such removal and storage after written demand therefor and/or to pay any rent then due, then after the property has been stored for a period of thirty (30) days or more Landlord may sell such property at public or private sale, in the manner and at such times and places as Landlord deems commercially reasonable following reasonable notice to Tenant of the time and place of such sale. The proceeds of any such sale shall be applied first to the payment of the expenses for removal and storage of the property, the preparation for and the conducting of such sale, and for attorneys' fees and other legal expenses incurred by Landlord in connection therewith, and the balance shall be applied as provided in Paragraph 25.b.2. above.

Tenant hereby waives all claims for damages that may be caused by Landlord's reentering and taking possession of the Premises or removing and storing Tenant's personal property pursuant to this Paragraph 25, and Tenant shall indemnify, defend and hold Landlord harmless from and against any and all Claims resulting from any such act. No reentry by Landlord shall constitute or be construed as a forcible entry by Landlord.

4. Landlord may require Tenant to remove any and all Specialty Alterations, and any Tenant Improvements that are in the nature of Specialty Alterations, that Landlord is permitted under Paragraphs 9.b. or 4.i. above to require Tenant to remove at the expiration or earlier termination of this Lease or, if Tenant fails to do so within ten (10) days after Landlord's request, Landlord may do so at Tenant's expense.

5. Landlord may cure the Event of Default at Tenant's expense, it being understood that such performance shall not waive or cure the subject Event of Default. If Landlord pays any sum or incurs any expense in curing the Event of Default, Tenant shall reimburse Landlord upon demand for the amount of such payment or expense with interest at the Interest Rate from the date the sum is paid or the expense is incurred until Landlord is reimbursed by Tenant. Any amount due Landlord under this subsection shall constitute additional rent hereunder.

c. Waiver of Redemption. Tenant hereby waives, for itself and all persons claiming by and under Tenant, all rights and privileges which it might have under any present or future Legal Requirement to redeem the Premises or to continue this Lease after being dispossessed or ejected from the Premises.

26. Damage or Destruction. If all or any part of the Premises or any material portion of the balance of the Real Property is damaged by fire or other casualty, and the damage can, in Landlord's reasonable opinion, be repaired within sixty (60) days of the damage, then Landlord shall repair the damage and this Lease shall remain in full force and effect. If the repairs cannot, in Landlord's opinion, be made within the sixty (60)-day period, Landlord at its option exercised by written notice to Tenant within the sixty (60)-day period, shall either (a) repair the damage, in which event this Lease shall continue in full force and effect, or (b) terminate this Lease as of the date specified by Landlord in the notice, which date shall be not less than thirty (30) days nor more than sixty (60) days after the date such notice is given, and this Lease shall terminate on the date specified in the notice. 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 that were 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 Lease term) and no damage to any of the foregoing shall entitle Tenant to any rent abatement, and Tenant shall, at Tenant's sole cost and expense, repair and replace such items. All such repair and replacement of above Building standard Alterations shall be constructed by Tenant in accordance with Paragraph 9 above regarding Alterations.

If the fire or other casualty damages the Premises or the Common Areas of the Real Property necessary for Tenant's use and occupancy of the Premises, Tenant ceases to use any portion of the Premises as a result of such damage, and the damage does not result from the negligence or willful misconduct of Tenant or any other Tenant Parties, then during the period the Premises or portion thereof are rendered unusable by such damage and repair, Tenant's Monthly Rent and Additional Rent under Paragraphs 5 and 7 above shall be proportionately reduced based upon the extent to which the damage and repair prevents Tenant from conducting, and Tenant does not conduct, its business at the Premises.

A total destruction of the Building shall automatically terminate this Lease. In no event shall Tenant be entitled to any compensation or damages from Landlord for loss of use of the whole or any part of the Premises or for any inconvenience occasioned by any such destruction, rebuilding or restoration of the Premises, the Building or access thereto, except for the rent abatement expressly provided above. Tenant hereby waives California Civil Code Sections 1932(2) and 1933(4), providing for termination of hiring upon destruction of the thing hired and Sections 1941 and 1942, providing for repairs to and of premises.

27. Eminent Domain.

a. If all or any part of the Premises is taken by any public or quasi-public authority under the power of eminent domain, or any agreement in lieu thereof (a "**taking**"), this Lease shall terminate as to the portion of the Premises taken effective as of the date of taking. If only a portion of the Premises is taken, Landlord or Tenant may terminate this Lease as to the remainder of the Premises upon written notice to the other party within ninety (90) days after the taking; provided, however, that Tenant's right to terminate this Lease is conditioned upon the remaining portion of the Premises being of such size or configuration that such remaining portion of the Premises is unusable or uneconomical for Tenant's business. Landlord shall be entitled to all compensation, damages, income, rent awards and interest thereon whatsoever which may be paid or made in connection with any taking and Tenant shall have no claim against Landlord or any governmental authority for the value of any unexpired term of this Lease or of any of the improvements or Alterations in the Premises; provided, however, that the foregoing shall not prohibit Tenant from prosecuting a separate claim against the taking authority for an amount separately designated for Tenant's relocation expenses or the interruption of or damage to Tenant's business or as compensation for Tenant's personal property, trade fixtures, Alterations or other improvements paid for by Tenant so long as any award to Tenant will not reduce the award to Landlord.

In the event of a partial taking of the Premises which does not result in a termination of this Lease, the Monthly Rent and Additional Rent under Paragraphs 5 and 7 hereunder shall be equitably reduced. If all or any material part of the Real Property other than the Premises is taken, Landlord may terminate this Lease upon written notice to Tenant given within ninety (90) days after the date of taking.

b. Notwithstanding the foregoing, if all or any portion of the Premises is taken for a period of time of one (1) year or less ending prior to the end of the term of this Lease, this Lease shall remain in full force and effect and Tenant shall continue to pay all rent and to perform all of its obligations under this Lease; provided, however, that Tenant shall be entitled to all compensation, damages, income, rent awards and interest thereon that is paid or made in connection with such temporary taking of the Premises (or portion thereof), except that any such compensation in excess of the rent or other amounts payable to Landlord hereunder shall be promptly paid over to Landlord as received. Landlord and Tenant each hereby waive the provisions of California Code of Civil Procedure Section 1265.130 and any other applicable existing or future Legal Requirement providing for, or allowing either party to petition the courts of the state in which the Real Property is located for, a termination of this Lease upon a partial taking of the Premises and/or the Building.

28. Landlord's Liability; Sale of Building. The term "Landlord," as used in this Lease, shall mean only the owner or owners of the Real Property at the time in question. Notwithstanding any other provision of this Lease, the liability of Landlord for its obligations under this Lease is limited solely to Landlord's interest in the Real Property as the same may from time to time be encumbered, and no personal liability shall at any time be asserted or enforceable against any other assets 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, on account of any of Landlord's obligations or actions under this Lease. In addition, in the event of any conveyance of title to the Real Property, then the grantor or transferor shall be relieved of all liability with respect to Landlord's obligations to be performed under this Lease after the date of such conveyance. In no event shall Landlord be deemed to be in default under this Lease unless Landlord fails to perform its obligations under this Lease, Tenant delivers to Landlord written notice specifying the nature of Landlord's alleged default, and Landlord fails to cure such default within thirty (30) days following receipt of such notice (or, if the default cannot reasonably be cured within such period, to commence action within such thirty (30)-day period and proceed diligently thereafter to cure such default). Upon any conveyance of title to the Real Property, the grantee or transferee shall be deemed to have assumed Landlord's obligations to be performed under this Lease from and after the date of such conveyance, subject to the limitations on liability set forth above in this Paragraph 28. If Tenant provides Landlord with any security for Tenant's performance of its obligations hereunder, Landlord shall transfer such security to the grantee or transferee of Landlord's interest in the Real Property, and upon such transfer Landlord shall be released from any further responsibility or liability for such security. Notwithstanding any other provision of this Lease, but not in limitation of the provisions of Paragraph 14.a. above, 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 (all of the foregoing, collectively, "**Special Claims**"). Wherever in this Lease Tenant (a) releases Landlord from any claim or liability, (b) waives or limits any right of Tenant to assert any claim against Landlord or to seek recourse against any property of Landlord or (c) agrees to indemnify Landlord against any matters, the relevant release, waiver, limitation or indemnity shall run in favor of and apply to Landlord, the constituent shareholders, partners, members, or other owners of Landlord, and the directors, officers, employees and agents of Landlord and each such constituent shareholder, partner, member or other owner.

29. Estoppel Certificates. At any time and from time to time, upon not less than ten (10) Business Days' prior notice from Landlord, Tenant shall execute, acknowledge and deliver to Landlord a statement certifying the commencement date of this Lease, stating that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and the date and nature of each such modification), that Landlord is not in default under this Lease (or, if Landlord is in default, specifying the nature of such default), that Tenant is not in default under this Lease (or, if Tenant is in default, specifying the nature of such default), the current amounts of and the dates to which the Monthly Rent and Additional Rent has been paid, and setting forth such other matters as may be reasonably requested by Landlord. Any such statement may be conclusively relied upon by a prospective purchaser of the Real Property or by a lender obtaining a lien on the Real Property as security. If Tenant fails to deliver such statement within the time required hereunder, such failure shall be conclusive upon Tenant that (i) this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) there are no uncured defaults in Landlord's performance of its obligations hereunder, (iii) not more than one month's installment of Monthly Rent has been paid in advance, and (iv) any other statements of fact included by Landlord in such statement are correct. Tenant acknowledges and agrees that its failure to execute such certificate may cause Landlord serious financial damage by causing the failure of a sale or financing transaction and giving Landlord all of its rights and remedies under Paragraph 25 above, including its right to damages caused by the loss of such sale or financing.

30. Right of Landlord to Perform. If Tenant fails to make any payment required hereunder (other than Monthly Rent and Additional Rent) or fails to perform any other of its obligations hereunder, Landlord may, but shall not be obliged to, and without waiving any default of Tenant or releasing Tenant from any obligations to Landlord hereunder, make any such payment or perform any other such obligation on Tenant's behalf. Tenant shall pay to Landlord, within thirty (30) days of Landlord's written demand therefor, one hundred ten percent (110%) of all sums so paid by Landlord and all necessary incidental costs incurred by Landlord in connection with the performance by Landlord of an obligation of Tenant. If such sum is not paid by Tenant within the required thirty (30) day period, interest shall accrue on such sum at the Interest Rate from the end of such thirty (30) day period until paid by Tenant. Further, Tenant's failure to make such payment within such thirty (30) day period shall entitle Landlord to the same rights and remedies provided Landlord in the event of non-payment of rent.

31. Late Charge; Late Payments. Tenant acknowledges that late payment of any installment of Monthly 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 Real Property and the loss of the use of the delinquent funds. Therefore, if any installment of Monthly Rent or Additional Rent or any other amount due from Tenant is not received when due, Tenant shall pay to Landlord on demand, on account of the delinquent payment, an additional sum equal to the greater of (i) five percent (5%) of the overdue amount, or (ii) One Hundred Dollars ($100.00), which additional sum represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount, nor prevent Landlord from exercising its right to collect interest as provided above, rent, or any other damages, or from exercising any of the other rights and remedies available to Landlord.

32. Attorneys' Fees; Waiver of Jury Trial. In the event of any action or proceeding between Landlord and Tenant (including an action or proceeding between Landlord and the trustee or debtor in possession while Tenant is a debtor in a proceeding under any bankruptcy law) to enforce any provision of this Lease, the losing party shall pay to the prevailing party all costs and expenses, including, without limitation, reasonable attorneys' fees and expenses, incurred in such action and in any appeal in connection therewith by such prevailing party. The "**prevailing party**" will be determined by the court before whom the action was brought based upon an assessment of which party's major arguments or positions taken in the suit or proceeding could fairly be said to have

prevailed over the other party's major arguments or positions on major disputed issues in the court's decision. Notwithstanding the foregoing, however, Landlord shall be deemed the prevailing party in any unlawful detainer or other action or proceeding instituted by Landlord based upon any default or alleged default of Tenant hereunder if (i) judgment is entered in favor of Landlord, or (ii) prior to trial or judgment Tenant pays all or any portion of the rent claimed by Landlord, vacates the Premises, or otherwise cures the default claimed by Landlord.

If Landlord becomes involved in any litigation or dispute, threatened or actual, by or against anyone not a party to this Lease, but arising by reason of or related to any act or omission of Tenant or any Tenant Party, Tenant agrees to pay Landlord's reasonable attorneys' fees and other costs incurred in connection with the litigation or dispute, regardless of whether a lawsuit is actually filed.

IF ANY ACTION OR PROCEEDING BETWEEN LANDLORD AND TENANT TO ENFORCE THE PROVISIONS OF THIS LEASE (INCLUDING AN ACTION OR PROCEEDING BETWEEN LANDLORD AND THE TRUSTEE OR DEBTOR IN POSSESSION WHILE TENANT IS A DEBTOR IN A PROCEEDING UNDER ANY BANKRUPTCY LAW) PROCEEDS TO TRIAL, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, LANDLORD AND TENANT HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY IN SUCH TRIAL. Landlord and Tenant agree that this paragraph constitutes a written consent to waiver of trial by jury within the meaning of California Code of Civil Procedure Section 631(d)(2), and each party does hereby authorize and empower the other party to file this paragraph and/or this Lease, as required, with the clerk or judge of any court of competent jurisdiction as a written consent to waiver of jury trial.

33. Waiver. No provisions of this Lease shall be deemed waived by Landlord unless such waiver is in a writing signed by Landlord. The waiver by Landlord of any breach of any provision of this Lease shall not be deemed a waiver of any subsequent breach of the same or any other provision of this Lease. No delay or omission in the exercise of any right or remedy of Landlord upon any default by Tenant shall impair such right or remedy or be construed as a waiver. Landlord's acceptance of any payments of rent due under this Lease shall not be deemed a waiver of any default by Tenant under this Lease (including Tenant's recurrent failure to timely pay rent) other than Tenant's nonpayment of the accepted sums, and no endorsement or statement on any check or accompanying any check or payment shall be deemed an accord and satisfaction. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

34. Notices. All notices and demands which may or are required to be given by either party to the other hereunder shall be in writing. All notices and demands by Landlord to Tenant shall be delivered personally or sent by United States mail, postage prepaid, or by any reputable overnight or same-day courier, addressed to Tenant at the Premises, or to such other place as Tenant may from time to time designate by notice to Landlord hereunder; provided, however, that prior to the Commencement Date, notices to Tenant shall be addressed to Tenant at 110 Baytech Drive, Suite 100, San Jose, CA 95134. All notices and demands by Tenant to Landlord shall be sent by United States mail, postage prepaid, or by any reputable overnight or same-day courier, addressed to Landlord in care of Shorenstein Properties LLC, 235 Montgomery Street, 16th floor, San Francisco, California 94104, Attn: Corporate Secretary, with a copy to the management office of the Building, or to such other place as Landlord may from time to time designate by notice to Tenant hereunder. Notices will be effective immediately upon delivery to the addressee at the designated address or immediately upon refusal of delivery by such addressee (with inability to deliver due to the party's notice address of record no longer being a valid address constituting refusal of delivery for purposes hereof). In the event Tenant requests multiple notices hereunder, Tenant will be bound by such notice from the earlier of the effective times of the multiple notices.

35. Intentionally Deleted.

36. Defined Terms and Marginal Headings. When required by the context of this Lease, the singular includes the plural. If more than one person or entity signs this Lease as Tenant, the obligations hereunder imposed upon Tenant shall be joint and several, and the act of, written notice to or from, refund to, or signature of, any Tenant signatory to this Lease (including, without limitation, modifications of this Lease made by fewer than all such Tenant signatories) shall bind every other Tenant signatory as though every other Tenant signatory had so acted, or received or given the written notice or refund, or signed. The headings and titles to the paragraphs of this Lease are for convenience only and are not to be used to interpret or construe this Lease. Wherever the term "including" or "includes" is used in this Lease it shall be construed as if followed by the phrase "without limitation." Whenever in this Lease a right, option or privilege of Tenant is conditioned upon Tenant (or any affiliate thereof or successor thereto) being in "occupancy" of a specified portion or percentage of the Premises, for such purposes "**occupancy**" shall mean Tenant's (or such affiliate's

or successor's) physical occupancy of the space for the conduct of such party's business, and shall not include any space that is subject to a sublease or that has been vacated by such party, other than a vacation of the space as reasonably necessary in connection with the performance of approved Alterations or by reason of a fire or other casualty or a taking. The language in all parts of this Lease shall in all cases be construed as a whole and in accordance with its fair meaning and not construed for or against any party simply because one party was the drafter thereof.

37. Time and Applicable Law. Time is of the essence of this Lease and of each and all of its provisions, except as to the conditions relating to the delivery of possession of the Premises to Tenant. This Lease shall be governed by and construed in accordance with the laws of the State of California, and the venue of any action or proceeding under this Lease shall be the City and County of San Francisco, California.

38. Successors. Subject to the provisions of Paragraphs 13 and 28 above, the covenants and conditions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, executors, administrators and assigns.

39. Entire Agreement; Modifications. This Lease (including any exhibit, rider or attachment hereto) constitutes the entire agreement between Landlord and Tenant with respect to Tenant's lease of the Premises. No provision of this Lease may be amended or otherwise modified except by an agreement in writing signed by the parties hereto. Neither Landlord nor Landlord's agents have made any representations or warranties with respect to the Premises, the Building, the Real Property or this Lease except as expressly set forth herein, including without limitation any representations or warranties as to the suitability or fitness of the Premises for the conduct of Tenant's business or for any other purpose, nor has Landlord or its agents agreed to undertake any alterations or construct any improvements to the Premises except those, if any, expressly provided in this Lease, and no rights, easements or licenses shall be acquired by Tenant by implication or otherwise unless expressly set forth herein. Neither this Lease nor any memorandum hereof shall be recorded by Tenant.

40. Light and Air. Tenant agrees that no diminution of light, air or view by any structure which may hereafter be erected (whether or not by Landlord) shall entitle Tenant to any reduction of rent hereunder, result in any liability of Landlord to Tenant, or in any other way affect this Lease.

41. Name of Building. Tenant shall not use the name of the Building for any purpose other than as the address of the business conducted by Tenant in the Premises without the written consent of Landlord. 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.

42. Severability. If any provision of this Lease or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Lease and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

43. Authority. If Tenant is a corporation, partnership, trust, association or other entity, Tenant and each person executing this Lease on behalf of Tenant, hereby covenants and warrants that (a) Tenant is duly incorporated or otherwise established or formed and validly existing under the laws of its state of incorporation, establishment or formation, (b) Tenant has and is duly qualified to do business in the state in which the Real Property is located, (c) Tenant has full corporate, partnership, trust, association or other appropriate power and authority to enter into this Lease and to perform all Tenant's obligations hereunder, and (d) each person (and all of the persons if more than one signs) signing this Lease on behalf of Tenant is duly and validly authorized to do so.

44. No Offer. 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.

45. Real Estate Brokers. Tenant represents and warrants that it has negotiated this Lease directly with the real estate broker(s) identified in Paragraph 2 and has not authorized or employed, or acted by implication to authorize or to employ, any other real estate broker or salesman to act for Tenant in connection with this Lease. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all Claims by any real estate broker or salesman other than the real estate broker(s) identified in Paragraph 2 for a commission, finder's fee or other compensation as a result of Tenant's entering into this Lease.

46. Consents and Approvals. Wherever the consent, approval, judgment or determination of Landlord is required or permitted under this Lease, Landlord may exercise its sole discretion in granting or withholding such consent or approval or in making such judgment or determination without reference to any extrinsic standard of reasonableness, unless the provision providing for such consent, approval, judgment or determination specifies that Landlord's consent or approval is not to be unreasonably withheld, or that the standard for such consent, approval, judgment or determination is to be reasonable, or otherwise specifies the standards under which Landlord may withhold its consent. Whenever Tenant requests Landlord to take any action or give any consent or approval, Tenant shall reimburse Landlord for all of Landlord's costs incurred in reviewing the proposed action or consent (whether or not Landlord consents to any such proposed action), including without limitation reasonable attorneys' or consultants' fees and expenses, within thirty (30) days after Landlord's delivery to Tenant of a statement of such costs. 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. The review and/or approval by Landlord of any item shall not impose upon Landlord any liability for accuracy or sufficiency of any such item or the quality or suitability of such item for its intended use. Any such review or approval is for the sole purpose of protecting Landlord's interest in the Real Property, and neither Tenant nor any Tenant Party nor any person or entity claiming by, through or under Tenant, nor any other third party shall have any rights hereunder by virtue of such review and/or approval by Landlord.

47. Reserved Rights. 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:

a. 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.

b. 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 Real Property and to create additional rentable areas through use or enclosure of Common Areas.

c. If portions of the Real Property or property adjacent to the Real Property (collectively, the "**Other Improvements**") are owned by an entity other than Landlord, Landlord, at its option, in its sole and absolute discretion, may enter into an agreement with the owner or owners of any or all of the Other Improvements to provide (i) for reciprocal rights of access and/or use of the Real Property and the Other Improvements, (ii) for the common management, operation, maintenance, improvement and/or repair of all or any portion of the Real Property and the Other Improvements, (iii) for the allocation of a portion of the Operating Expenses to the Other Improvements and the operating expenses and taxes for the Other Improvements to the Real Property, and (iv) for the use or improvement of the Other Improvements and/or the Real Property in connection with the improvement, construction, and/or excavation of the Other Improvements and/or the Real Property. Nothing contained herein shall be deemed or construed to limit or otherwise affect Landlord's right to convey all or any portion of the Real Property or any other of Landlord's rights described in this Lease.

d. To sell one or more of the buildings which comprise the Project as of the date of this Lease and to record covenants, conditions and restrictions, easements and reciprocal easement agreements in connection therewith, provided that such documents do not materially affect Tenant's use and enjoyment of the Premises and Common Areas as anticipated hereunder

48. Financial Statements. Upon submission of this Lease to Landlord and at any time thereafter within thirty (30) days after Landlord's request therefor (but not more than once in any twelve (12) month period unless the Building is the subject of a sale or refinancing or there exists a continuing Event of Default), Tenant shall furnish to Landlord copies of true and accurate financial statements reflecting Tenant's then current financial situation (including without limitation balance sheets, statements of profit and loss, and changes in financial condition), Tenant's most recent audited or certified annual financial statements, and Tenant's federal income tax returns pertaining to Tenant's business, and in addition shall cause to be furnished to Landlord similar financial statements and tax returns for any guarantor(s) of this Lease. Tenant agrees to deliver to any lender, prospective lender, purchaser or prospective purchaser designated by Landlord such financial statements of Tenant as may be reasonably requested by such lender or purchaser.

49. Intentionally Deleted.

50. Nondisclosure of Lease Terms . Tenant agrees that the terms of this Lease are confidential and constitute proprietary information of Landlord, and that disclosure of the terms hereof could adversely affect the ability of Landlord to negotiate with other tenants. Tenant hereby agrees that Tenant and its partners, officers, directors, employees, agents, real estate brokers and sales persons and attorneys shall not disclose the terms of this Lease to any other person without Landlord's prior written consent, except to any accountants of Tenant in connection with the preparation of Tenant's financial statements or tax returns, to an assignee of this Lease or sublessee of the Premises, or to an entity or person to whom disclosure is required by applicable law or in connection with any action brought to enforce this Lease.

51. Hazardous Substance Disclosure. California law requires landlords to disclose to tenants the existence of certain hazardous substances. Accordingly, the existence of gasoline and other automotive fluids, maintenance fluids, copying fluids and other office supplies and equipment, certain construction and finish materials, tobacco smoke, cosmetics and other personal items, and asbestos-containing materials ("**ACM**") must be disclosed. Gasoline and other automotive fluids are found in the garage area of the Building. Cleaning, lubricating and hydraulic fluids used in the operation and maintenance of the Real Property are found in the utility areas of the Real Property not generally accessible to Real Property occupants or the public. Many Building occupants use copy machines and printers with associated fluids and toners, and pens, markers, inks, and office equipment that may contain hazardous substances. Certain adhesives, paints and other construction materials and finishes used in portions of the Real Property may contain hazardous substances. Although smoking is prohibited in the public areas of the Real Property, these areas may, from time to time, be exposed to tobacco smoke. Real Property occupants and other persons entering the Real Property from time-to-time may use or carry prescription and non-prescription drugs, perfumes, cosmetics and other toiletries, and foods and beverages, some of which may contain hazardous substances. Landlord has made no special investigation of the Premises with respect to any hazardous substances.

52. Signage Rights.

a. General. Except to the extent expressly provided in this Paragraph 52, Tenant shall not (i) place or install (or permit to be placed or installed by any Tenant Party) any signs, advertisements, logos, identifying materials, pictures or names of any type on the roof, exterior areas or Common Areas of the Building or the Real Property or in any area of the Building, Premises or Real Property which is visible from the exterior of the Building or outside of the Premises or (ii) place or install (or permit to be placed or installed by any Tenant Party) in or about any portion of the Premises any window covering (even if behind Building standard window coverings) or any other material visible from outside of the Premises or from the exterior of the Building.

b. Exterior Signage; Lobby Door and Window Signage. Subject to compliance with applicable Legal Requirements and such Building signage criteria as Landlord shall apply from time to time, provided that the Premises consist of all of the rentable area of the subject Building, Tenant may install (i) Tenant's name and logo on the glass doors and windows in the lobby at the entrance to the Building and (ii) exterior parapet signage and directional signage on the Building, provided that such installations under clauses (i) and (ii) shall be subject to Landlord's prior written approval as to the size, design, materials, location and manner of installation. Tenant shall submit to Landlord, for Landlord's approval pursuant to the foregoing, detailed plans setting forth the details of Tenant's proposed signage and the installation thereof. Further, if Tenant leases the First Offer Space pursuant to Paragraph 59 below, then Tenant shall be entitled to signage in the lobby of the 130 Building in accordance with Landlord's lobby signage requirements for multi-tenant buildings in the Project. Tenant shall maintain any such installed signage in good condition and repair throughout the term of this Lease. All signage described in this Paragraph 52.b. shall be treated as Tenant's personal property under the provisions of Paragraph 20.a. above with respect to Tenant's obligations of removal and restoration at the expiration or early termination of this Lease.

c. Monument Signage. As of the date of this Lease, Landlord is finalizing Landlord's plans to install two (2) monument signs at the Project, with one (1) monument sign located at each of the two (2) driveway entrances to the Project. Upon the completion of the installation of the monument sign that is located at the entrance to the Project that is nearest to the 110 Building (the "**Monument Sign**"), Tenant shall have the right to utilize Tenant's pro-rata share of space on the Monument Size (based on the rentable square footage of the Premises) to place Tenant's name, with such name to be in accordance with the signage criteria for such Monument Sign. The cost of adding Tenant's name to the monument sign (and any subsequent modifications to Tenant's name on the Monument Sign) shall be borne by Tenant. Upon the expiration of this Lease (or the earlier expiration of Tenant's right to maintain its name on the Monument Sign, as provided below), Tenant shall reimburse Landlord for the cost to remove Tenant's name from the Monument Sign and to perform the repairs to the Monument Sign required due to such removal.

Notwithstanding anything to the contrary above, Tenant's right to have Tenant's name on the Monument Sign pursuant to the foregoing may, at Landlord's option, be terminated by Landlord upon written notice to Tenant (i) if there exists a continuing Event of Default that is not cured by Tenant within fifteen (15) days following additional written notice from Landlord to Tenant advising Tenant that Landlord will terminate Tenant's right to the monument signage if the Event of Default is not cured within such fifteen (15) day period, or (ii) if the original Tenant hereunder (and/or an Affiliate thereof pursuant to Paragraph 31.h. above) is not in occupancy of at least 41,286 rentable square feet of space in the Building. If Tenant's rights to have Tenant's name on the Monument Sign has been terminated by Landlord in writing pursuant to this subparagraph, Tenant's right to be listed on the Monument Sign shall be unavailable to Tenant even if the circumstances that triggered Landlord's termination of the right to the Monument Sign no longer exists.

53. Parking.

a. Commencing upon the Commencement Date and continuing throughout the term of this Lease, Landlord shall make available to Tenant in the Parking Areas, on an unassigned, non-exclusive and un-labeled basis, 3.6 parking spaces for each 1,000 rentable square feet of space within the Premises (which, based on the 41,286 RSF of the Premises, constitutes 148 spaces), with Tenant having the non-exclusive use of those parking spaces that are closest to the Building. The aforementioned parking shall be without additional charge, provided that, if any taxes, assessments or other impositions are imposed by any governmental entity in connection with Tenant's use of the parking spaces, such taxes shall be paid by Tenant, or if required to be paid by Landlord, shall be reimbursed to Landlord by Tenant not later than thirty (30) days following receipt of Landlord's written invoice. Any such payment by Tenant under the immediately preceding sentence shall constitute rent under this Lease.

At Tenant's option and subject to applicable Legal Requirements and any applicable CC&Rs, Tenant shall have the right to utilize all or a portion of the parking spaces allocated to Tenant pursuant to the above for the operation by Tenant of a valet parking service (the "**Valet Parking**") that allows Tenant to provide stacked parking within the allocated parking spaces. Such Valet Parking shall be subject to Landlord's prior written approval of the location of the parking spaces that will be utilized for such Valet Parking and all other aspects of the Valet Parking program, which approval shall not be unreasonably withheld provided that the operation of the Valet Parking does not interfere with the use of the Parking Areas by the other occupants of the Project and is conducted in compliance with any rules and regulations Landlord may reasonably implement with regard thereto.

b. Tenant shall provide Landlord with advance written notice of the names of each individual to whom Tenant from time to time distributes Tenant's parking rights hereunder, and shall cause each such individual to execute the standard waiver form for parking space users.

c. The unassigned parking spaces to be made available to Tenant hereunder may contain a reasonable mix of spaces for compact cars. Landlord shall take reasonable actions to ensure the availability of the parking spaces leased by Tenant, but Landlord does not guarantee the availability of those spaces at all times against the actions of other tenants of the Real Property and users of the Parking Areas. Without limiting the foregoing, in no event shall this Lease be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage, nor shall there be any abatement of rent hereunder, by reason of any reduction in Tenant's parking rights hereunder by reason of strikes, lock-outs, labor disputes, shortages of material or labor, fire, flood or other casualty, acts of God or any other cause beyond the reasonable control of Landlord. Access to the parking spaces to be made available to Tenant shall, at Landlord's option, be by card, pass, bumper sticker, decal or other appropriate identification issued by Landlord, and Tenant's right to use the Parking Areas is conditioned on Tenant's abiding by and shall otherwise be subject to such reasonable rules and regulations as may be promulgated by Landlord or Landlord's designee from time to time for the Parking Areas. If applicable, Tenant's employees and occupants shall only have the right to park in Tenant's designated area(s). Landlord shall have the right to modify, change, add to or delete the design, configuration, layout, size, ingress, egress, areas, method of operation, and other characteristics of or relating to the Parking Areas at any time, and/or to provide for nonuse, partial use or restricted use of portions thereof.

d. The parking rights provided to Tenant pursuant to this Paragraph 53 are provided to Tenant solely for use by officers, directors, employees and visitors of Tenant, and Tenant's permitted subtenants and assignees, and such rights may not otherwise be transferred, assigned, subleased or otherwise alienated by Tenant to any other type of transferee without Landlord's prior written approval, which may be withheld in Landlord's sole discretion.

e. Tenant's business visitors (to the extent not parking in Tenant's allocated parking spaces) may park in the visitor parking provided by Landlord for the Building, on a space-available basis, upon payment of the prevailing fee (if any) for parking charged to visitors to the Building. Tenant may validate visitor parking by such method or methods as the Landlord may establish, at the validation rate from time to time generally applicable to visitor parking.

54. Transportation Management. Tenant shall fully comply with all present or future programs intended to manage parking, transportation or traffic in and around the Real Property, 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.

55. Renovation of the Real Property and Other Improvements. Tenant acknowledges that portions of the Building, Real Property and/or the Other Improvements (as defined in Paragraph 47.d. above) may be under construction following Tenant's occupancy of the Premises, and that such construction may result in levels of noise, dust, obstruction of access, etc. which are in excess of that present in a fully constructed project. It is agreed and acknowledged that no representations respecting the condition of the Premises, the Building or the Real Property have been made by Landlord to Tenant except as specifically set forth in this Lease. Tenant acknowledges and agrees that Landlord may alter, remodel, improve and/or renovate (collectively, the "**Renovation Work**") the Building, Premises, and/or the Real Property, and in connection with any Renovation Work, Landlord may, among other things, erect scaffolding or other necessary structures in the Building or the Real Property, restrict access to portions of the Real Property, including portions of the Common Areas, or perform work in the Building and/or the Real Property. Tenant hereby agrees that such Renovation Work and Landlord's actions in connection with such Renovation Work shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent. Landlord shall have no responsibility or liability to Tenant for any injury to or interference with Tenant's business arising from any such Renovation Work, and Tenant shall not be entitled to any damages from Landlord for loss of use of the Premises, in whole or in part, or for loss of Tenant's personal property or improvements, resulting from the Renovation Work or Landlord's actions in connection therewith or for any inconvenience occasioned by such Renovation Work or Landlord's actions in connection therewith. Without limitation of the foregoing, Landlord shall use good faith efforts to cause all such work to be done in such a manner as to cause as little interference to Tenant's use and enjoyment of the Premises as reasonably possible without incurring additional expense.

56. Quiet Enjoyment. If, and so long as, Tenant pays the rent and keeps, observes and performs each and every term, covenant and condition of this Lease on the part or on behalf of Tenant to be kept, observed and performed, Tenant shall peaceably and quietly enjoy the Premises throughout the term without hindrance by Landlord or any person lawfully claiming through or under Landlord, subject to the provisions of this Lease.

57. No Discrimination. Tenant covenants by and for itself and its successors, heirs, personal representatives and assigns and all persons claiming under or through Tenant that there shall be no discrimination against or segregation of any person or of a group of persons on account of race, color, religion, creed, sex or national origin in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Premises nor shall Tenant or any person claiming under or through Tenant 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, sublessees, subtenants or assignees of the Premises.

58. CASp Inspection. As of the date of this Lease, the Premises and the Common Areas of the Real Property expected to be in Tenant's path of travel during the Lease term, have not undergone an inspection by a Certified Access Specialist regarding compliance with construction-related accessibility standards. This disclosure is made pursuant to Section 1938 of the California Civil Code.

59. Right of First Offer.

a. First Offer Right. Subject to the provisions of this Paragraph 59, during first twenty-four (24) months of the initial Lease term (the "**First Offer Period**") Tenant shall have a continuing right of first offer (the "**First Offer Right**") to lease the entire second floor (the "**First Offer Space**") of the building located in the Project and known as 120-130 Rose Orchard Way (the "**120 Building**"), which First Offer Space shall be deemed by the parties, for all purposes of this Lease,

to consist of 30,267 rentable square feet of space. If Landlord and a prospective tenant of the First Offer Space (a "**Prospective Tenant**") enter into a signed letter of intent covering the First Offer Space, Landlord shall notify Tenant in writing thereof (the "**First Offer Notice**"). If Tenant desires to lease the First Offer Space pursuant to the terms of this Paragraph 59, Tenant shall notify Landlord thereof in writing (the "**Exercise Notice**") not later than five (5) Business Days following Landlord's delivery of the First Offer Notice to Tenant. (Tenant must lease the entire First Offer Space and may not lease only a portion thereof.) If Tenant does not deliver an Exercise Notice within the required five (5) Business Day period, then Landlord shall have a period of six (6) months to lease the First Offer Space to the Prospective Tenant that was a party to the subject letter of intent (or to an affiliate of such Prospective Tenant). If Landlord has not leased the First Offer Space to such Prospective Tenant (or its affiliate) within the aforementioned six (6) month period, or if Landlord desires to lease the First Offer Space to a different Prospective Tenant that has signed a letter of intent, then Landlord must again comply with the notice provisions above prior to leasing the First Offer Space to such Prospective Tenant.

b. Terms and Conditions. If Tenant timely exercises its right to lease the First Offer Space, Landlord and Tenant shall promptly enter into an amendment to this Lease adding the First Offer Space to the Premises on all the terms and conditions set forth in this Lease as to the Premises originally demised hereunder, except that such amendment shall incorporate the following terms, as applicable:

(i) Condition of First Offer Space. Landlord shall, at Landlord's sole cost, (A) renovate the restrooms in the First Offer Space to the then building standard for the Project, (B) perform the demising work required to separate the First Offer Space from the remainder of the space in the 120 Building, and (C) preserve the ability to exit the 120 Building from the stairs nearest to the collaborative area between the 120 Building and the 110 Building. Further, in addition to the foregoing work, (x) Landlord shall construct tenant improvements in the First Offer Space (the "**Offer Space Improvements**") in accordance with provisions substantially similar to the provisions of Paragraph 4 of this Lease regarding the Tenant Improvements in the original Premises, provided that the cost of the design and construction of the Offer Space Improvements shall be borne as provided in Paragraph 59.b. (ii) below and (y) Landlord shall perform for the First Offer Space the work set forth in Paragraph 4.h. of the Lease, with the provisions of Paragraphs 10.a. and b. of this Lease regarding Landlord's twelve (12) month warranty of the HVAC Units and three (3) month warranty of the Building systems (as such warranties may be extended to the extent applicable under Paragraphs 10.a. and b. above) being fully applicable to the First Offer Space.

(ii) Cost of Offer Space Improvements. If the Exercise Notice is delivered during the first (1st) through ninth (9th) months of the initial Lease term, Tenant shall receive an improvement allowance for the Offer Space Improvements equal to Forty-Five Dollars ($45.00) per rentable square foot of the First Offer Space, plus the right to an additional allowance of up to Ten Dollars ($10.00) per rentable square foot of the First Offer Space for excess design and hard costs and for Soft Costs, with such additional allowance to be repaid over the term of the Lease of the First Offer Space at an interest rate of eight percent (8%) per annum. If the Exercise Notice is delivered during the tenth (10th) through twelfth (12th) months of the initial Lease term, Tenant shall receive an improvement allowance for the Offer Space Improvements equal to Fifty ($50.00) per rentable square foot of the First Offer Space, plus the right to an additional allowance of up to Ten Dollars ($10.00) per rentable square foot of the First Offer Space for excess design and hard costs and for Soft Costs, with such additional allowance to be repaid over the term of the Lease of the First Offer Space at an interest rate of eight percent (8%) per annum. If the Exercise Notice is delivered during the thirteenth (13th) through twenty-fourth (24th) months of the initial Lease term, Tenant shall receive an improvement allowance based on fair market terms to be established concurrently with the determination of the fair market rent for the First Offer Space under Paragraph 59.b. (iv) below.

(iii) Term. The term of Tenant's lease of the First Offer Space shall commence on the date the First Offer Space is delivered to Tenant with the Offer Space Improvements Substantially Completed. If the Exercise Notice is delivered during the first nine (9) months following the Commencement Date, the term of the Lease as to the First Offer Space shall expire concurrently with the term of the Lease as to the original Premises on Expiration Date set forth in Paragraph 2.b. above. If the Exercise Notice is delivered during the tenth (10th) through twenty-fourth (24th) months of the initial Lease term, the term of the Lease as to the First Offer Space shall end on the last day of the sixtieth (60th) full calendar month following the Offer Space Rent Commencement Date (as defined in Paragraph 59.b. (iv) below) (the "**New Expiration Date**") and the term of the Lease as to the original Premises (i.e., the 41,286 RSF in the 110 Building) shall automatically be extended through and including the New Expiration Date, with the extended portion of the Lease term for the original Premises being referred to herein as the "**Original Premises Extended Period**."

(iv) Rent.

(x) Offer Space Rent Commencement Date. Tenant's obligation to pay Monthly Rent and Additional Rent for the First Offer Space under Paragraphs 5 and 7 of the Lease shall commence on the date (the "**Offer Space Rent Commencement Date**") that is the earlier of (x) the date six (6) months following the date Tenant delivers the Exercise Notice to Landlord (provided that, if the Offer Space Improvements are not Substantially Completed by such date solely due to delays caused by Landlord or Landlord's contractor, then such six (6) month period shall be extended by the length of the delay caused by Landlord or Landlord's contractor), and (y) the date Tenant commences business in the First Offer Space; provided, however, if the Exercise Notice is delivered during the seventh (7th) through ninth (9th) months of the initial Lease term, then the Offer Space Rent Commencement Date shall be the date that is one (1) year following the Rent Commencement Date for the original Premises (as defined in Paragraph 2.c. above).

(y) Monthly Rent for First Offer Space. If the Exercise Notice is delivered during the first twelve (12) months of the initial Lease Term, then, commencing on the Offer Space Rent Commencement Date (as defined above) the Monthly Rent for the First Offer Space shall be at the same rental rate per rentable square foot that Tenant pays for the original Premises under the Lease pursuant to Paragraph 2.c. above, as the same adjusts from time to time, provided that, during the Original Premises Extended Period (as defined above), the Monthly Rent for both the original Premises and the First Offer Space, shall be calculated by increasing the Monthly Rent per rentable square foot in effect for the original Premises as of the date immediately preceding the first day of the Original Premises Extended Period by three percent (3%) and further increasing such rate by three percent (3%) on the next anniversary date, if applicable.

If the Exercise Notice is delivered during the thirteenth (13th) through twenty-fourth (24th) months of the initial Lease Term, the Monthly Rent for the First Offer Space shall be the then fair market rent for the First Offer Space as defined in set forth in Paragraph 60.b below with references therein to the "Premises" being deemed to refer to the First Offer Space and disregarding any provisions which by their nature pertain only to the renewal term, with the Monthly Rent for the original Premises during the Original Premises Extended Period being at the same fair market rent rate per rentable square foot as applies to the First Offer Space. Notwithstanding the foregoing, in no event shall the Monthly Rent per rentable square foot for the First Offer Space be less than the Monthly Rent per rentable square foot payable from time to time for the original Premises under Paragraph 2.c. above. The fair market rent shall be mutually agreed upon by Landlord and Tenant in writing within thirty (30) days after Tenant delivers the Exercise Notice. If Landlord and Tenant are unable to agree upon the fair market monthly rent within such thirty (30) day period, then the fair market rent shall be established by appraisal in accordance with Paragraph 60.c. below.

If the fair market rent is not established prior to the Offer Space Rent Commencement Date, then Tenant shall pay Monthly Rent for the First Offer Space at the same rate per rentable square foot that Tenant then pays for the original Premises and, after the fair market rent has been determined, Tenant shall pay any deficiency in the amount paid by Tenant during such period, within thirty (30) days following the date Tenant receives from Landlord a written invoice for the amount of such deficiency.

(v) Letter of Credit. Upon Tenant's lease of the First Offer Space, the amount of the Letter of Credit provided for in Paragraphs 2.d. and 6 above shall be increased on a pro-rata basis to reflect the increase in the rentable square footage of the total premises leased by Tenant under this Lease (which pro-rata increase shall take into account any reduction in the amount of the Letter of Credit that may have occurred (or subsequently occurs) pursuant to the provisions of Paragraph 6 above allowing for the reduction in the amount of the Letter of Credit).

c. Limitation on Tenant's First Offer Right. Notwithstanding the foregoing, if (i) on the date of delivery of the Exercise Notice, or the date immediately preceding the date the Lease term for the First Offer Space is to commence, there exists an uncured monetary Event of Default or an uncured material non-monetary Event of Default (or a monetary breach or material non-monetary breach of this Lease by Tenant that subsequently matures into an Event of Default due to Tenant's failure to cure the breach within the applicable notice and/or cure period), or (ii) on the date immediately preceding the date the Lease term for the First Offer Increment is to commence, Tenant named herein (and/or an Affiliate pursuant to Paragraph 13.h. above) (a) is not in occupancy of the entire Premises then leased hereunder or (b) does not intend to continue to occupy the entire Premises then leased hereunder, together with the entire First Offer Space, then, at Landlord's option, the exercise of the right of first offer shall be null and void.

60. Renewal Option.

a. Option to Renew. Tenant shall have the option to renew this Lease as to the entire Premises then leased hereunder for one (1) additional term of five (5) years, commencing upon the expiration of the initial term of the Lease (as such initial term may have been extended pursuant to Paragraph 59.b. (iii) above, due to Tenant's lease of the First Offer Space). The renewal option must be exercised, if at all, by written notice given by Tenant to Landlord not later than twelve (12) months prior to the expiration of the initial term of this Lease. Notwithstanding the foregoing, at Landlord's election, this renewal option shall be null and void and Tenant shall have no right to renew this Lease if (i) as of the date immediately preceding the commencement of the renewal period the Tenant originally named herein (and/or an Affiliate thereof to which this Lease has been assigned pursuant to Paragraph 13.h. above) is not the Tenant hereunder or, is the Tenant hereunder, but has sublet more than fifty percent (50%) of the Premises then demised hereunder to one or more subtenants (other than an Affiliate), or does not intend to continue to occupy at least fifty percent (50%) of the Premises (but intends to assign this Lease or to sublet more than a total of fifty percent (50%) of the space, other than to an Affiliate), or (ii) on the date Tenant exercises the option or on the date immediately preceding the commencement date of the renewal period Tenant there exists an uncured monetary Event of Default or an uncured material non-monetary Event of Default (or a monetary breach or material non-monetary breach of this Lease by Tenant that subsequently matures into an Event of Default due to Tenant's failure to cure the breach within the applicable notice and/or cure period).

b. Terms and Conditions. If Tenant exercises the renewal option, then during the renewal period all of the terms and conditions set forth in this Lease as applicable to the Premises during the initial term shall apply during the renewal term, except that (i) Tenant shall have no further right to renew this Lease, (ii) Tenant shall take the Premises in their then "as-is" state and condition, except that if fair market terms include an improvement allowance, Tenant shall receive such improvement allowance and the Monthly Rent referred to item (iii) shall take such improvement allowance into account, and (iii) the Monthly Rent payable by Tenant for the Premises shall be the then-fair market rent for the Premises based upon the terms of this Lease, as renewed. Fair market rent shall include the periodic rental increases, if any, that would be included for space leased for the period of the renewal term. For purposes of this Paragraph 60, the term "**fair market rent**" shall mean the rental rate that would be applicable for a lease term commencing on the commencement date of the renewal term and that would be payable in any arms' length negotiations for the Premises in their then as-is condition, for the renewal term, which rental rate shall be established by reference to rental terms actually negotiated for comparable space under primary lease (and not sublease), taking into consideration the location of the Building and such amenities as existing improvements, view, floor on which the Premises are situated and the like, situated in comparable office buildings in the San Jose, Sunnyvale and Santa Clara commercial office market areas, in similar physical and economic condition as the Building, engaged in then-prevailing ordinary rental market practices with respect to tenant concessions (if any) (e.g. not offering extraordinary rental, promotional deals and other concessions to tenants in an effort to alleviate cash flow problems, difficulties in meeting loan obligations or other financial distress, or in response to a greater than average vacancy rate in a particular building) and taking into account then market concessions (including, but not limited to, any construction allowances and/or rent abatement). The fair market rent shall be mutually agreed upon by Landlord and Tenant in writing within a thirty (30) calendar day period commencing not later than six (6) months prior to commencement of the renewal period. If Landlord and Tenant are unable to agree upon the fair market monthly rent within such thirty (30)-day period, then the fair market rent shall be established by appraisal in accordance with the procedures set forth in Paragraph 60.c. below.

c. Appraisal. Within fifteen (15) days after the expiration of the thirty (30)-day period for the mutual agreement of Landlord and Tenant as to the fair market rent, each party hereto, at its cost, shall engage a real estate broker to act on its behalf in determining the fair market rent. The brokers each shall have at least ten (10) years' experience with leases in first-class high-rise office buildings in the San Jose, Sunnyvale and Santa Clara commercial office market areas and shall submit to Landlord and Tenant in advance for Landlord's and Tenant's reasonable approval the appraisal methods to be used. If a party does not appoint a broker within said fifteen (15)-day period but a broker is appointed by the other respective party, the single broker appointed shall be the sole broker and shall set the fair market rent. If the two brokers are appointed by the parties as stated in this paragraph, such brokers shall meet promptly and attempt to set the fair market rent. If such brokers are unable to agree within thirty (30) days after appointment of the second broker, the brokers shall elect a third broker meeting the qualifications stated in this paragraph within ten (10) days after the last date the two brokers are given to set the fair market rent. Each of the parties hereto shall bear one-half (1/2) the cost of appointing the third broker and of the third broker's fee. The third broker shall be a person who has not previously acted in any capacity for either party.

The third broker shall conduct his own investigation of the fair market rent, and shall be instructed not to advise either party of his determination of the fair market rent except as follows: When the third broker has made his determination, he shall so advise Landlord and Tenant and shall establish a date, at least five (5) days after the giving of notice by the third broker to Landlord and Tenant, on which he shall disclose his determination of the fair market rent. Such meeting shall take place in the third broker's office unless otherwise agreed by the parties. After having initialed a paper on which his determination of fair market rent is set forth, the third broker shall place his determination of the fair market rent in a sealed envelope. Landlord's broker and Tenant's broker shall each set forth their determination of fair market rent on a paper, initial the same and place them in sealed envelopes. Each of the three envelopes shall be marked with the name of the party whose determination is inside the envelope.

In the presence of the third broker, the determination of the fair market rent by Landlord's broker and Tenant's broker shall be opened and examined. If the higher of the two determinations is 105% or less of the amount set forth in the lower determination, the average of the two determinations shall be the fair market rent, the envelope containing the determination of the fair market rent by the third broker shall be destroyed and the third broker shall be instructed not to disclose his determination. If either party's envelope is blank, or does not set forth a determination of fair market rent, the determination of the other party shall prevail and be treated as the fair market rent. If the higher of the two determinations is more than 105% of the amount of the lower determination, the envelope containing the third broker's determination shall be opened. If the value determined by the third broker is the average of the values proposed by Landlord's broker and Tenant's broker, the third broker's determination of fair market rent shall be the fair market rent. If such is not the case, fair market rent shall be the rent proposed by either Landlord's broker or Tenant's broker which is closest to the determination of fair market rent by the third broker.

d. Minimum Rental. Notwithstanding anything in the foregoing to the contrary, in no event shall the Monthly Rent during the renewal period be less than the aggregate of the amounts of Monthly Rent and Additional Rent payable by Tenant (for all of the Premises leased hereunder) under Paragraphs 2.b., 5 and 7 hereof for the calendar month immediately preceding the commencement of the renewal period. If the fair market rent is not established prior to the commencement of the renewal period, then Tenant shall continue to pay as Monthly Rent and Additional Rent the sums in effect as of the last day of the initial term of the Lease and, as soon as the fair market rent is determined, Tenant shall immediately pay to Landlord any deficiency in the amount paid by Tenant during such period.

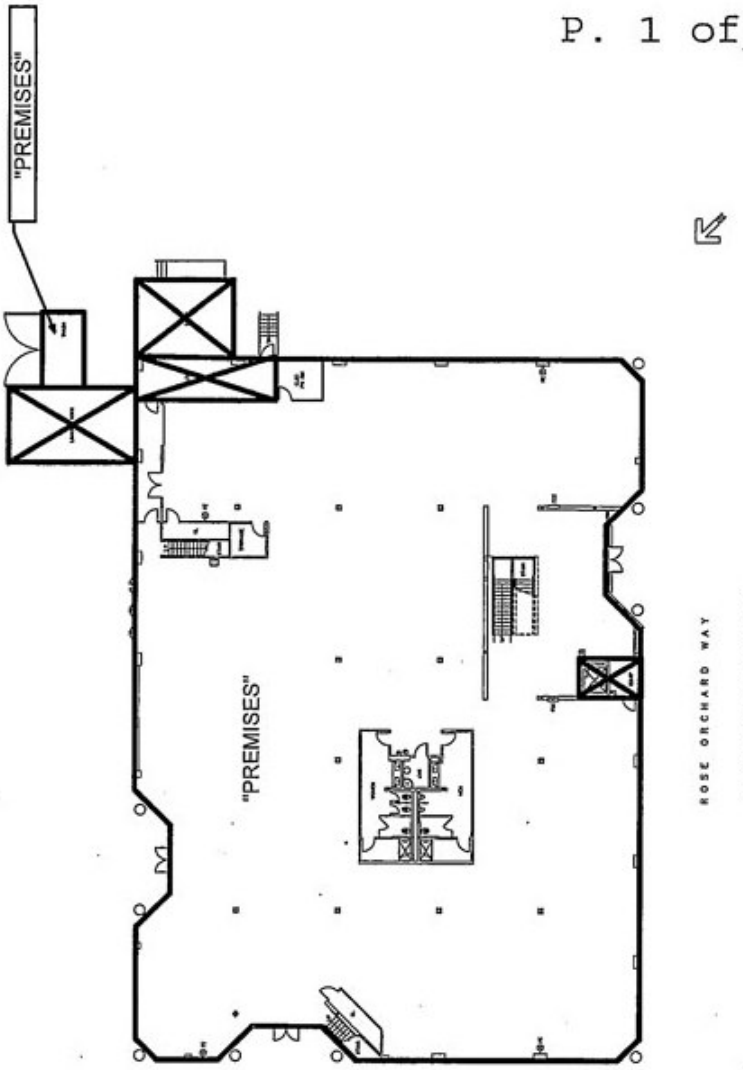
THIS LEASE IS EXECUTED by Landlord and Tenant as of the date set forth at the top of page 1 hereof.

Landlord:	Tenant:
SRI ELEVEN ROW LLC, a Delaware limited liability company	ZSCALER, INC., a Delaware corporation
By: /s/ Jed Brush Name: Jed Brush Title: Vice President	By: /s/ Naresh Bansal Name: Naresh Bansal Title: VP, Finance

EXHIBIT A

Outline of Premises

(See attached 2 pages)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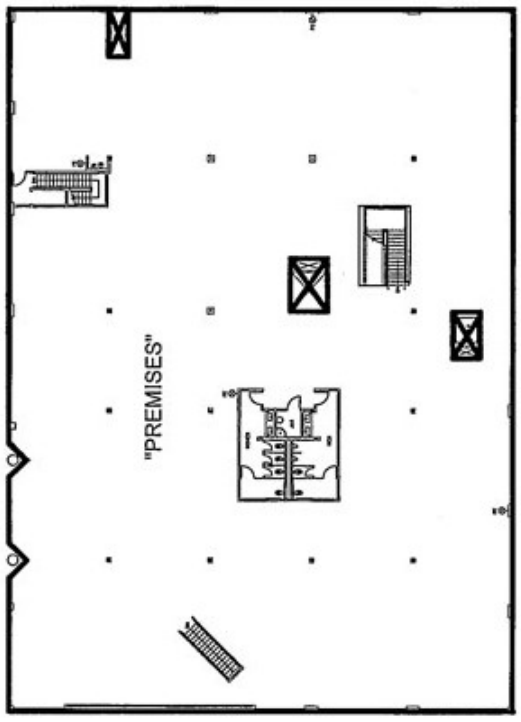
"PREMISES"
ROSE ORCHARD WAY
110 ROSE ORCHARD
FLOOR 01
EXHIBIT A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FLOOR 02
EXHIBIT A

EXHIBIT B

RULES AND REGULATIONS

ROSE ORCHARD WAY

1. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building or any part of the Premises visible from the exterior of the Premises without the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion. Landlord shall have the right to remove, at Tenant's expense and without notice to Tenant, any such sign, placard, picture, advertisement, name or notice that has not been approved by Landlord.

If Landlord notifies Tenant in writing that Landlord objects to any curtains, blinds, shades or screens attached to or hung in or used in connection with any window or door of the Premises, such use of such curtains, blinds, shades or screens shall be removed immediately by Tenant. No awning shall be permitted on any part of the Premises.

2. No ice, drinking water, towel, barbering or bootblacking, shoeshining or repair services, or other similar services shall be provided to the Premises, except from persons authorized by Landlord and at the hours and under regulations fixed by Landlord.

3. The bulletin board or directory of the Building will be provided exclusively for the display of the name and location of tenants only and Landlord reserves the right to exclude any other names therefrom.

4. The sidewalks, halls, passages, exits, entrances, elevators and stairways shall not be obstructed by any of the Tenant Parties or used by Tenant for any purpose other than for ingress to and egress from its Premises. The halls, passages, exits, entrances, elevators, stairways, balconies and roof are not for the use of the general public and Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence in the judgment of Landlord shall be prejudicial to the safety, character, reputation and interests of the Building and its tenants. No tenant and no employees or invitees of any tenant shall go upon the roof of the Building.

5. Tenant shall not alter any lock or install any new or additional locks or any bolts on any interior or exterior door of the Premises without the prior written consent of Landlord.

6. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose employees or invitees, shall have caused it.

7. Tenant shall not overload the floor of the Premises or mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof.

8. No furniture, freight or equipment of any kind shall be brought into the Building without the consent of Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Building and also the times and manner of moving the same in and out of the Building. Safes or other heavy objects shall, if considered necessary by Landlord, stand on a platform of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property from any cause, and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of Tenant. The elevator designated for freight by Landlord shall be available for use by all tenants in the Building during the hours and pursuant to such procedures as Landlord may determine from time to time. The persons employed to move Tenant's equipment, material, furniture or other property in or out of the Building must be acceptable to Landlord. The moving company must be a locally recognized professional mover, whose primary business is the performing of relocation services, and must be bonded and fully insured. In no event shall Tenant employ any person or company whose presence may give rise to a labor or other disturbance in the Real Property. A certificate or other verification of such insurance must be received and approved by Landlord prior to the start of any moving operations. Insurance must be sufficient in Landlord's sole opinion, to cover all personal liability, theft or damage to the Real Property, including, but not limited to, floor coverings, doors, walls, elevators, stairs, foliage and landscaping. Special care must be taken to prevent damage to foliage and landscaping during adverse weather. All moving operations shall be conducted at such times and in such a manner as Landlord shall direct, and all moving shall take place during non-business hours unless Landlord agrees in writing otherwise.

9. Tenant shall not cause any unnecessary labor by reason of Tenant's carelessness or indifference in the preservation of good order and cleanliness.

10. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises or the Building. In no event shall Tenant keep, use, or permit to be used in the Premises or the Building any guns, firearm, explosive devices or ammunition. Except in areas designated by Landlord, Tenant may not bring any bicycles or other vehicles onto the Building or the Real Property.

11. No cooking shall be done or permitted by Tenant in the Premises, except that Tenant may maintain and use in the kitchen area of the Premises a microwave oven, toaster oven and equipment for brewing coffee, tea, hot chocolate and similar beverages, provided that all such equipment compiles with UL safety requirements, is otherwise used by Tenant in compliance with Legal Requirements and does not result in odors noticeable outside the Premises. The Premises shall not be used for the storage of merchandise, for washing clothes, for lodging, or for any improper, objectionable or immoral purposes.

12. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline, or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.

13. Landlord will direct electricians as to where and how telephone and telecommunications wiring is to be introduced into the Premises and the Building. No boring or cutting for wires will be allowed without the prior consent of Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the prior approval of Landlord.

14. Upon the expiration or earlier termination of the Lease, Tenant shall deliver to Landlord the keys of offices, rooms and toilet rooms which have been furnished by Landlord to Tenant and any copies of such keys which Tenant has made. In the event Tenant has lost any keys furnished by Landlord, Tenant shall pay Landlord for such keys.

15. Tenant shall not lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the Premises, except to the extent and in the manner approved in advance by Landlord. The expense of repairing any damage resulting from a violation of this rule or removal of any floor covering shall be borne by the tenant by whom, or by whose contractors, employees or invitees, the damage shall have been caused.

16. No furniture, packages, supplies, equipment or merchandise will be received in the Building or carried up or down in the elevators, except between such hours and in such elevators as shall be designated by Landlord, which elevator usage shall be subject to the Building's customary charge therefor as established from time to time by Landlord.

17. At all times other than Building Hours, access to the Building, or to the halls, corridors, elevators or stairways in the Building, or to the Premises may be refused unless the person seeking access is known to the person or employee of the Building in charge and has a pass or is properly identified. Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building during the continuance of the same by closing the doors or otherwise, for the safety of the tenants and protection of property in the Building.

18. Tenant shall be responsible for insuring that the doors of the Premises are closed and securely locked before leaving the Building and must observe strict care and caution that all water faucets or water apparatus are entirely shut off before Tenant or Tenant's employees leave the Building, and that all electricity, gas or air shall likewise be carefully shut off, so as to prevent waste or damage, and for any default or carelessness Tenant shall make good all injuries sustained by other tenants or occupants of the Building or Landlord. Landlord shall not be responsible to Tenant for loss of property on the Premises, however occurring, or for any damage to the property of Tenant caused by the employees or independent contractors of Landlord or by any other person.

19. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.

20. The requirements of any tenant will be attended to only upon application at the office of the Building. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from Landlord, and no employee will admit any person (tenant or otherwise) to any office without specific instructions from Landlord.

21. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises without the prior written consent of Landlord.

22. Subject to Tenant's right of access to the Premises in accordance with Building security procedures, Landlord reserves the right to close and keep locked all entrance and exit doors of the Building outside of Building Hours, and during such further hours as Landlord may deem advisable for the adequate protection of the Building and the property of its tenants.

23. Tenant hereby acknowledges that Landlord shall have no obligation to provide guard service or other security measures for the benefit of the Premises, the Building or the Real Property.

25. Tenant, its employees and agents shall not loiter in or on the entrances, corridors, sidewalks, lobbies, courts, halls, stairways, elevators, vestibules or any Common Areas for the purpose of smoking tobacco products, nor in any way obstruct such areas.

EXHIBIT C

Form of Commencement Date Letter

_____, 20__

Zscaler, Inc.

_____

_____

Re: Lease, dated as of June __, 2015 (the "Lease"), between SRI ELEVEN ROW LLC, a Delaware limited liability company ("Landlord") and Zscaler, Inc., a Delaware corporation ("Tenant") for premises comprising all of the rentable area of the building located at 110 Rose Orchard Way, San Jose, California.

Gentlemen or Ladies:

Capitalized terms not otherwise defined in this letter agreement shall have the meaning given them in the above-referenced Lease. Pursuant to Paragraph 3.a. of your above-referenced Lease, this letter shall confirm the following dates:

1. The Commencement Date of the Lease (as defined in Paragraph 2.b. of the Lease) is _____ (which is the date two (2) weeks following the Delivery Date), and

2. The Expiration Date of the Lease (as defined in Paragraph 2.b. of the Lease) is _____, which is the last day of the sixty-sixth (66th) full calendar month following the Commencement Date.

Please acknowledge Tenant's agreement to the foregoing by executing both duplicate originals of this letter and returning one fully executed duplicate original to Landlord at the address on this letterhead. If Landlord does not receive a fully executed duplicate original of this letter from Tenant evidencing Tenant's agreement to the foregoing (or a written response setting forth Tenant's disagreement with the foregoing) within fifteen (15) days of the date of Tenant's receipt of this letter, Tenant will be deemed to have consented to the terms set forth herein.

Very truly yours,

SRI ELEVEN ROW LLC,
a Delaware limited liability company

By _____
Its designated signatory

The undersigned agrees to the dates set forth above:

ZSCALER, INC., a Delaware corporation

By _____

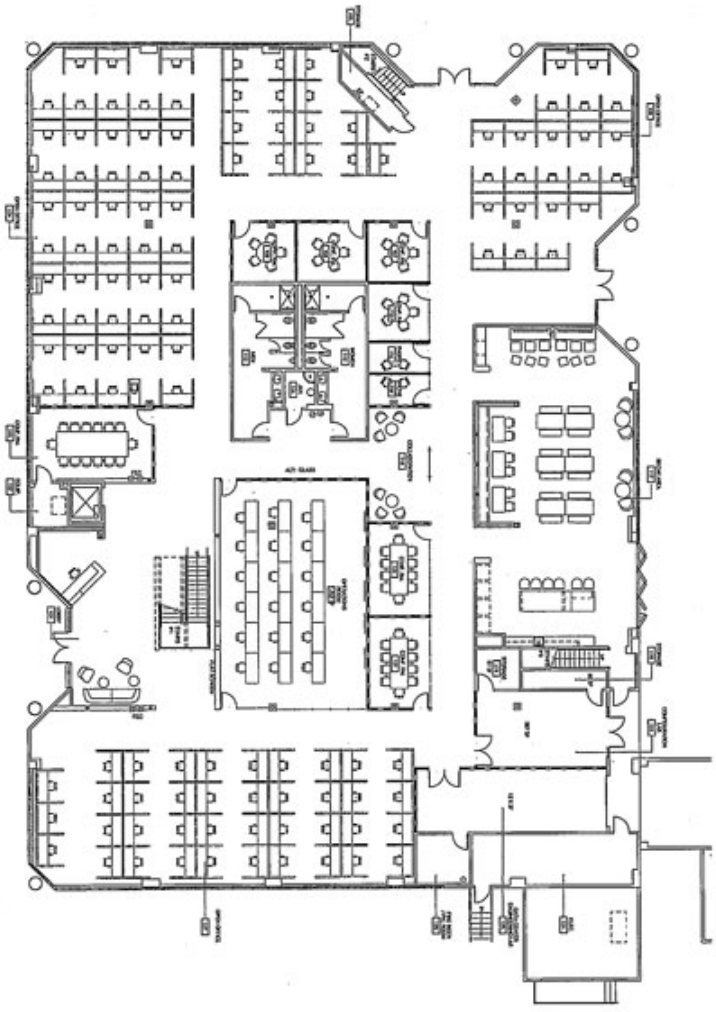
Name _____

Title _____

EXHIBIT D

Tenant Approved Plans

(see attached 2 pages)



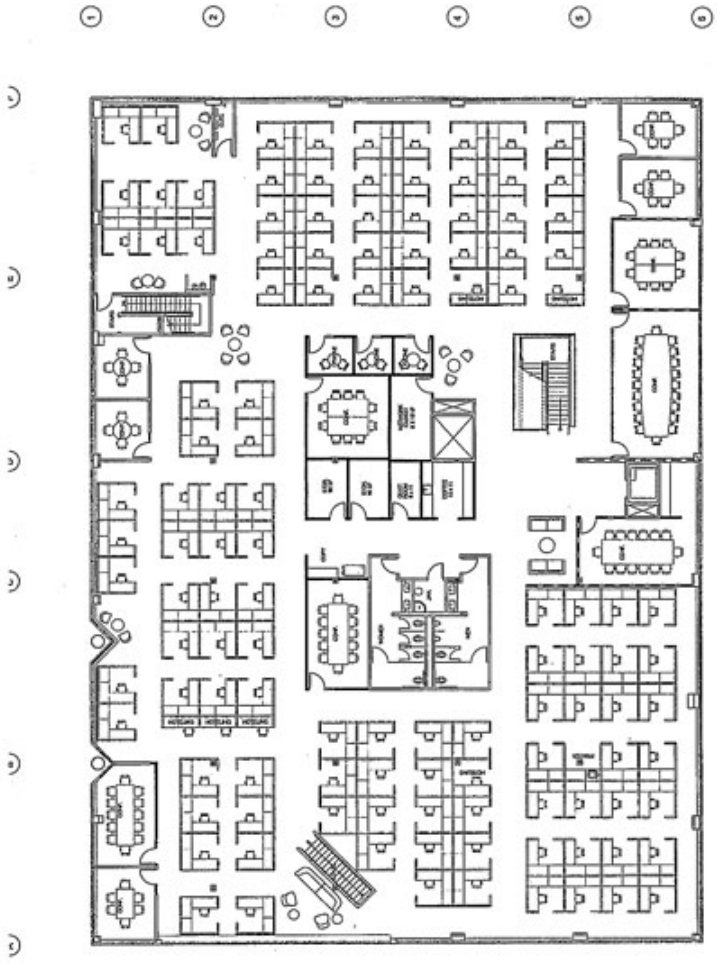


EXHIBIT E

Form of Letter of Credit

SRI Eleven ROW LLC
c/o Shorenstein Properties LLC
235 Montgomery Street, 16th floor
San Francisco, CA 94104
Attn: Corporate Secretary

IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____

We hereby establish our Irrevocable Letter of Credit in your favor available by your drafts drawn on [NAME OF BANK], at sight, for any sum or sums not exceeding Eight Hundred Fifteen Thousand Dollars ($815,000.00), for account of _____ at [TENANT'S ADDRESS]. Draft(s) must be accompanied by supporting documents as described below:

A written statement to [INSERT NAME OF BANK] stating that "The principal amount [or the portion requested] of this Letter of Credit is due and payable to Beneficiary in accordance with the provisions of that certain Office Lease dated as of June __, 2015, originally entered into between SRI Eleven ROW LLC, and Zscaler, Inc."

The written statement shall be accompanied by this Letter of Credit for surrender; provided, however, that if less than the balance of the Letter of Credit is drawn, this Letter of Credit need not be surrendered and shall continue in full force and effect with respect to the unused balance of this Letter of Credit unless and until we issue to you a replacement Letter of Credit for such unused balance, the terms of which replacement Letter of Credit shall be identical to those set forth in this Letter of Credit. We are not required to inquire as to the accuracy of the matters recited in the written statement or as to the authority of the person signing the written statement and may take the act of signing as conclusive evidence of such accuracy and his or her authority to do so. The obligation of [BANK] under this Letter of Credit is the individual obligation of [BANK], and is in no way contingent upon reimbursement with respect thereto.

Each draft must bear upon its face the clause "Drawn under Letter of Credit No. _____, dated _____, of [BANK]."

This Letter of Credit shall be automatically extended for an additional period of one year from the present or each future expiration date unless we have notified you in writing delivered via U.S. registered mail, return receipt requested, to your address stated above, or to such other address as you shall have furnished to us for such purpose, not less than sixty (60) days before such expiration date, that we elect not to renew this Letter of Credit. Upon your receipt of such notification, you may draw your sight draft on us prior to the then applicable expiration date for the unused balance of the Letter of Credit, which shall be accompanied by your signed written statement that you received notification of our election not to extend.

Except so far as otherwise expressly stated herein, this Letter of Credit is subject to the "Uniform Customs and Practices for Documentary Credits (2007 Revision), International Chamber of Commerce – Publication No. 600." If this Letter of Credit expires during an interruption of business as described in Article 36 of Publication 600, we hereby specifically agree to effect payment if this Letter of Credit is drawn against within 30 days after the resumption of business.

We hereby agree with you that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented to the above-mentioned drawee at our offices at [ADDRESS] on or before _____ PM [TIME ZONE] Time on [INITIAL EXPIRATION DATE], or such later expiration date to which this Letter of Credit is extended pursuant to the terms hereof.

If at any time Beneficiary or its authorized transferee is not in possession of the original of this letter of credit (together with all amendments, if any) because such original has been delivered to us as required hereunder for a draw thereon or transfer thereof, our obligations as set forth in this letter of credit shall continue in full force and effect as if Beneficiary or such authorized transferee still held such original, and any previous delivery to us, without return by us, of such original shall be deemed to have satisfied any requirement that such original be delivered to us for a subsequent draw hereunder or transfer hereof.

This Letter of Credit may be, without charge and without recourse, assigned to, and shall inure to the benefit of, any successor in interest to **[LANDLORD]**, under the Office Lease. Transfer charges, if any, are for the account of the applicant.

Sincerely, [BANK]

Exhibit 10.19

FIRST AMENDMENT TO LEASE
(Amortization of Additional Allowance)

THIS FIRST AMENDMENT TO LEASE (this "**Amendment**") is executed as of the 30th day of October, 2015, between SRI ELEVEN ROW LLC, a Delaware limited liability company ("**Landlord**"), and ZSCALER, INC., a Delaware corporation ("**Tenant**").

RECITALS

A. Landlord and Tenant are parties to a written lease dated as of June 30, 2015 (the "**Lease**"), pursuant to which Tenant leases from Landlord certain premises (the "**Premises**") consisting of approximately 41,286 rentable square feet of space, comprising the entire rentable area of the building located at 110 Rose Orchard Way, San Jose, CA (the "**Building**"). All capitalized terms not otherwise defined herein shall have the meaning given them in the Lease. As confirmed by the letter agreement dated October 1, 2015, between Landlord and Tenant, the Expiration Date of the Lease is April 30, 2021 (subject to Tenant's renewal option provided for in the Lease).

B. Pursuant to Paragraph 4.f.i. of the Lease, Landlord provided Tenant with a Landlord's Allowance of One Million One Hundred Fourteen Thousand Seven Hundred Twenty Two Dollars ($1,114,722.00) to be applied to the cost of the Tenant Improvements constructed by Landlord in the Premises pursuant to Paragraph 4 of the Lease. In addition to the aforementioned Landlord's Allowance, Paragraph 4.f.ii. of the Lease permitted Tenant to obtain from Landlord an additional allowance of up to Four Hundred Twelve Thousand Eight Hundred Sixty Dollars ($412,860.00) (the "**Additional Allowance**") to be applied to the costs of the Tenant Improvements and to certain Soft Costs (as defined in Paragraph 4.f.ii. of the Lease).

C. Tenant has requested and received from Landlord from the permitted Additional Allowance the total sum of Three Hundred Seventy Five Thousand Seven Hundred Eighty Six and 97/100 Dollars ($375,786.97) (hereinafter the "**Amortization Amount**"). As required by Paragraph 4.f.ii. of the Lease, Landlord and Tenant presently desire to amend the Lease to increase the monthly rent thereunder by the amount required to fully amortize the Amortization Amount, at an interest rate of eight percent (8%) per annum, all as more fully provided below.

NOW, THEREFORE, in consideration of the foregoing, the parties hereto agree as follows:

1. Increase in Monthly Rent. In order to repay the Amortization Amount to Landlord in the manner required under Paragraph 4.f.ii. of the Lease, commencing with the payment of Monthly Rent due under Paragraphs 2.c. and 5 of the Lease on May 1, 2016, and continuing through and including the final payment of Monthly Rent due on April 1, 2021 (for a total of sixty (60) monthly payments), the Monthly Rent amounts set forth in Paragraph 2.c. of the Lease shall be increased by Seven Thousand Six Hundred Nineteen and 63/100 Dollars ($7,619.63) per month. If the Lease is terminated, for any reason, prior to the date the Amortization Amount plus accrued interest is fully repaid to Landlord, then concurrently with such termination of the Lease, the then unpaid portion of the Amortization Amount, plus all accrued but unpaid interest, shall be immediately payable in full.

As a result of the addition of the above referenced monthly payment to the Monthly Rent under the Lease, effective as of May 1, 2016, and continuing through April 30, 2021, the rent table set forth in Paragraph 2.c. of the Lease is revised to be as follows:

Period	Monthly Rent
5/1/16 through 10/31/16	$ 88,127.33
11/1/16 through 10/31/17	$ 90,535.68
11/1/17 through 10/31/18	$ 93,047.25
11/1/18 through 10/31/19	$ 95,593.22
11/1/19 through 10/31/20	$ 98,242.40
11/1/20 through 4/30/21	$100,960.40

2. Authority. If Tenant is a corporation, partnership, trust, association or other entity, Tenant and each person executing this Amendment on behalf of Tenant hereby covenants and warrants that (a) Tenant is duly incorporated or otherwise established or formed and validly existing under the laws of its state of incorporation, establishment or formation, (b) Tenant has and is duly qualified to do business in the state of California, (c) Tenant has full corporate, partnership, trust, association or other appropriate power and authority to enter into this Amendment and to perform all Tenant's obligations under the Lease, as amended by this Amendment, and (d) each person (and all of the persons if more than one signs) signing this Amendment on behalf of Tenant is duly and validly authorized to do so.

3. Real Estate Brokers. Tenant represents and warrants that it has negotiated this Amendment directly with Shorenstein Management, Inc., on behalf of Landlord, and Tenant has not authorized or employed, or acted by implication to authorize or to employ, any real estate broker or salesman to act for Tenant in connection with this Amendment. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims by any real estate broker or salesman other than the broker named above for a commission, finder's fee or other compensation as a result of Tenant's entering into this Amendment.

4. No Offer. Submission of this instrument for examination and signature by Tenant does not constitute an offer to amend the lease, and this instrument is not effective as a lease amendment or otherwise until executed and delivered by both Landlord and Tenant.

5. Lease in Full Force and Effect. Except as provided above, the Lease is unmodified hereby and remains in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date and year first above written.

LANDLORD:

SRI ELEVEN ROW LLC,
a Delaware limited liability company

By: /s/ Jed Brush
Name: Jed Brush
Title: Vice President

TENANT:

ZSCALER, INC., a Delaware corporation

By: /s/ Naresh Bansal
Name: Naresh Bansal
Title: VP of Finance

OFFICE LEASE

BETWEEN

US ER AMERICA CENTER 2, LLC

as Landlord

AND

ZSCALER, INC.

as Tenant

Dated: June 9, 2017

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LIST OF EXHIBITS

Exhibit A	Plan Showing Premises	Exhibit G	Eyebrow Signage Location
Exhibit A-1	Project Site Plan	Exhibit H	Form of Letter of Credit
Exhibit A-2	Legal Description of Land		
Exhibit B-1	Work Agreement		
Exhibit B-2	Space Plan		
Exhibit B-3	Specifications		
Exhibit C	Rules and Regulations		
Exhibit D	Secretary’s Certificate		
Exhibit E	Confirmation of Commencement Date		
Exhibit F	List of Environmental Reports		

OFFICE LEASE

THIS OFFICE LEASE ("Lease") is made as of the 9th day of June, 2017 ("Date of Lease"), by and between US ER AMERICA CENTER 2, LLC, a California limited liability company ("Landlord"), and ZSCALER, INC., a Delaware corporation ("Tenant").

I. BASIC LEASE PROVISIONS AND DEFINITIONS

1.1 Premises. 14,483 Rentable Square Feet known as Suite 240 and located on the second floor(s) of the Building as depicted on **Exhibit A** attached hereto and made a part hereof.

1.2 Building. The building identified as Phase 1 Building 2 on **Exhibit A-1** attached hereto and made a part hereof and located at 6201 America Center Drive, San Jose, California 95002, containing approximately 217,989 Rentable Square Feet.

1.3 Project. The development depicted on **Exhibit A-1** and known as America Center consisting of the real property and all improvements built thereon, including, without limitation, the Land, Building, the Other Buildings, the Common Area, and Parking Facilities, containing approximately 430,852 Rentable Square Feet. The "Other Buildings" means the building identified on **Exhibit A-1** as "Phase 1 Building 1" and located at 6001 America Center Drive, San Jose, California 95002 and any other buildings as Landlord may elect to construct and include as part of the Project from time to time. Landlord reserves the right to adjust the Rentable Square Footage of the Project by delivering notice to Tenant that Landlord has sold one or more Other Buildings, constructed additional Other Buildings in the Project or modified the Common Areas.

1.4 Land. The parcel of land on which the Project is located, as more particularly described on **Exhibit A-2** attached hereto and made a part hereof, and all rights, easements and appurtenances thereunto belonging or pertaining.

1.5 Common Area. All areas from time to time designated by Landlord for the general and nonexclusive common use or benefit of Tenant, other tenants of the Project, and Landlord, including, without limitation, roadways, entrances and exits, loading areas, landscaped areas, open areas, park areas, picnic areas, sport courts, service drives, walkways, atriums, courtyards, concourses, ramps, hallways, stairs, washrooms, lobbies, elevators, common trash areas, vending or mail areas, common pipes, conduits, wires and appurtenant equipment within the Building or Other Buildings, maintenance and utility rooms and closets, exterior lighting, exterior utility lines, and Parking Facilities.

1.6 Parking Facilities. All parking areas now or hereafter designated by Landlord for use by tenants of the Project and/or their guests and invitees, including, without limitation, surface parking, parking decks, parking structures and parking areas under or within the Project whether reserved, exclusive, non-exclusive or otherwise.

1.7 Rentable Square Feet (Foot) or Rentable Area. The Rentable Area within the Premises, Building or Project is deemed to be the amounts set forth in this **Article I**. Landlord and Tenant stipulate and agree that the Rentable Square Footage of the Premises, Building and Project are correct and shall not be remeasured.

1.8 Permitted Use. Tenant may use the Premises subject to and in accordance with the terms, covenants and conditions set forth in this Lease, the Declaration and applicable governmental regulations, restrictions and permitting (without the necessity of obtaining any zoning changes, conditional use permits or other special permits), solely for purposes of general business office, administration, lab, research and development, and sales and marketing and uses incidental thereto.

1.9 Commencement Date. October 1, 2017, subject to adjustment as provided in **Exhibit B-1**.

1.10 Expiration Date. April 30, 2021.

1.11 Term. Approximately 43 months, beginning on the Commencement Date and expiring on the Expiration Date, subject to adjustment as specified in **Article III**.

1.12 Basic Rent. The amount set forth in the following schedule, subject to adjustment as specified in **Article IV**.

Period	Monthly Basic Rent	Period Basic Rent
1-7*	$ 41,276.55	$ 288,935.85
8-12	$ 41,276.55	$ 206,382.75
13-24	$ 42,580.02	$ 510,960.24
25-43	$ 43,738.66	$ 831,034.54

* The Basic Rent shall be abated for the first seven (7) months of the Term ("Basic Rent Abatement Period"). All of the remaining terms and conditions of the Lease shall remain in full force and effect during the foregoing Basic Rent Abatement Period. If any Event of Default (as defined in **Section 20.1** of the Lease) occurs under this Lease during Tenant's occupancy and Landlord terminates the Lease or Tenant's right to possession of the Premises, then, in addition to Landlord's other remedies available at law, in equity or under this Lease, the Basic Rent abatement provided for in this **Section 1.12** shall immediately terminate, and Tenant shall immediately pay Landlord upon demand the unamortized portion of the previously abated Basic Rent.

1.13 Intentionally Deleted.

1.14 Lease Year. Each consecutive 12 month period elapsing after: (i) the Commencement Date if the Commencement Date occurs on the first day of a month; or (ii) the first day of the month following the Commencement Date if the Commencement Date does not occur on the first day of a month. Notwithstanding the foregoing, the first Lease Year shall include the additional days, if any, between the Commencement Date and the first day of the month following the Commencement Date, in the event the Commencement Date does not occur on the first day of a month.

1.15 Calendar Year. For the purpose of this Lease, Calendar Year shall be a period of 12 months commencing on each January 1 during the Term, except that the first Calendar Year shall be that period from and including the Commencement Date through December 31 of that same year, and the last Calendar Year shall be that period from and including the last January 1 of the Term through the earlier of the Expiration Date or date of Lease termination.

1.16 Tenant's Proportionate Share. Tenant's Proportionate Share of the Building is 6.64% (determined by dividing the Rentable Square Feet of the Premises by the Rentable Square Feet of the Building and multiplying the resulting quotient by 100 and rounding to the second decimal place). Tenant's Proportionate Share of the Project is 3.36% (determined by dividing the Rentable Square Feet of the Premises by the Rentable Square Feet of the Project and multiplying the resulting quotient by 100 and rounding to the second decimal place).

1.17 Parking Space Allocation. Tenant shall have the right to 47 parking spaces within the Parking Facilities of which 47 shall be unreserved parking spaces and zero of which shall be reserved parking spaces. The parking rental for each of the unreserved parking spaces shall be $0.00 per month per space for the initial Term (prorated for any partial months). Tenant's Parking Space Allocation shall include Tenant's Proportionate Share of visitor and handicapped parking.

1.18 Security Deposit. $168,147.63 in the form of a Letter of Credit, subject to reduction in accordance with **Article V**.

1.19 Brokers:

Landlord's:	Tenant's:
Steelwave, LLC 4000 East Third Avenue, Suite 500 Foster City, CA 94404	Newmark Cornish & Carey 2804 Mission College Blvd., Suite 120 Santa Clara, CA 95054

1.20 Guarantor(s). None.

1.21	Landlord's Notice Address.	c/o USAA Real Estate Company 9830 Colonnade Boulevard, Suite 600 San Antonio, Texas 78230-2239 Attention: Head of Office Asset Management Attention: General Counsel
	With copies at the same time to.	Steelwave, LLC 4000 East Third Avenue, Suite 500 Foster City, CA 94404 Attention: Property Manager
1.22	Tenant's Notice Address.	Zscaler, Inc. 110 Rose Orchard Way San Jose, CA 95134 Attention: General Counsel

1.23 Interest Rate. The per annum interest rate listed as the U.S. "prime" rate as published from time to time under "Money Rates" in the Wall Street Journal plus 2% but in no event greater than the maximum rate permitted by law. In the event the Wall Street Journal ceases to publish such rates, Landlord shall choose, at Landlord's reasonable discretion, a similarly published rate.

1.24 Agents. Officers, partners, members, owners, directors, employees, agents, licensees, contractors, customers and invitees; to the extent customers and invitees are under the principal's control or direction.

1.25 Declaration. That certain "Declaration and Agreement of Covenants and Restrictions of America Center" recorded in the Official Records of Santa Clara County on December 22, 2008 as Document Number 20074383, as amended from time to time in accordance with the terms thereof, and any Rules that may be promulgated thereunder.

II. PREMISES

2.1 Lease of Premises. In consideration of the agreements contained herein, Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord, for the Term and upon the terms and conditions set forth in this Lease. As an appurtenance to the Premises, Tenant shall have the general and nonexclusive right, together with Landlord and the other tenants of the Project, to use the Common Area subject to the terms and conditions of this Lease; provided, however, except to the extent Landlord's prior written approval is obtained, which shall not be unreasonably withheld, Landlord excepts and reserves exclusively to itself the use of (i) roofs; (ii) maintenance and utility equipment rooms and closets, and (iii) conduits, wires and appurtenant equipment within the Building and equipment rooms and closets, and exterior utility lines; provided, that, without limitation to Landlord's reservations under this **Article II**, Tenant shall be permitted to install its customary Cabling in accordance with the terms of this Lease, including and subject to, without limitation, **Section 12.3**.

2.2 Landlord's Reservations. Provided Tenant's use of and access to the Premises is not materially adversely affected, Landlord reserves the right from time to time to: (i) install, use, maintain, repair, replace and relocate pipes, ducts, conduits, wires and appurtenant meters and equipment above the ceiling surfaces, below the floor surfaces, within the walls and in the central core areas of the Building; (ii) make changes to the design and layout of the Project, including, without limitation, changes to buildings, driveways, entrances, loading and unloading areas, direction of traffic, landscaped areas and walkways, parking spaces and parking areas; and (iii) use or close temporarily the Common Areas, and/or other portions of the Project while engaged in making improvements, repairs or alterations to the Building, the Project or any portion thereof. In addition, Landlord expressly reserves the right to change the name of the Building or the Project.

III. TERM

3.1 Commencement Date. Subject to the earlier termination or extension as otherwise provided in this Lease, the Term shall commence on the Commencement Date and expire at midnight on the Expiration Date. Promptly following the request of either party, Landlord and Tenant shall enter into an agreement confirming the Commencement Date and the Expiration Date, and certain other information, in the form of the Confirmation of Commencement Date attached hereto as **Exhibit E**.

3.2 Early Possession. Upon the later of Tenant's delivery of satisfactory evidence of insurance in accordance with **Article XV**, the first month's Basic Rent payment and Security Deposit and prior written notice from Landlord, such notice to be given to Tenant not less than 14 days prior to the Commencement Date, Tenant shall have non-exclusive reasonable rights of entry to the Premises for the limited purpose of installing furniture, fixtures, equipment and Cabling (as defined in **Section 12.3**) (the "Early Access Period"). Tenant's entry to the Premises before the Commencement Date shall be subject to the terms and conditions of this Lease, including, without limitation, the indemnification and hold harmless agreements set forth in **Article XVII**; provided, however, except for the cost of services requested by Tenant, Tenant shall not be required to pay Rent (as defined in **Section 4.2**) for any days of possession before the Commencement Date during which Tenant is in possession of the Premises for the sole purpose of installing furniture, fixtures, equipment or Cabling. Tenant will coordinate all early access activities with Landlord so as not to interfere with the Substantial Completion (as defined in **Exhibit B-1**) of the Tenant Work (as defined in **Exhibit B-1**), with Landlord or with other occupants of the Building. Landlord may revoke Tenant's rights under this **Section 3.2** upon written notice to Tenant if Landlord, in its sole, reasonable discretion, determines that any such interference has been or may be caused.

IV. RENT

4.1 Basic Rent. Tenant shall pay to Landlord the Basic Rent as specified in **Section 1.12**. Basic Rent shall be payable in monthly installments as specified in **Section 1.12**, in advance, without demand, notice, deduction, offset or counterclaim, on or before the first day of each and every calendar month during the Term (subject to the Basic Rent abatement set forth in **Section 1.12**); provided, however, the installment in the amount of $53,587.10 of Basic Rent, Operating Expense Rental (as defined in **Section 4.3**) and Real Estate Tax Rental (as defined in **Section 4.3**) payable for the first full calendar month of the Term in which Basic Rent and Additional Rent are due shall be due and payable at the time of execution and delivery of this Lease. Any payment made by Tenant to Landlord on account of Basic Rent may be credited by Landlord to the payment of any late charges then due and payable and to any Basic Rent or Additional Rent (as defined in **Section 4.2**) then past due before being credited to Basic Rent currently due. Tenant shall pay Basic Rent and all Additional Rent electronically via automatic debit, ACH credit or wire transfer to such account as Landlord designates in writing to Tenant. Landlord may, in its sole discretion, designate an address for payment in lawful U.S. Dollars. If the Term commences on a day other than the first day of a calendar month or terminates on a day other than the last day of a calendar month, the monthly Basic Rent and Additional Rent shall be prorated based upon the number of days in such calendar month. Tenant's covenant to pay Rent and the obligation of Tenant to perform Tenant's other covenants and duties hereunder constitute independent, unconditional obligations to be performed at all times provided for hereunder, save and except only when an abatement thereof or reduction therein is expressly provided for in this Lease and not otherwise.

4.2 Additional Rent; Rent. All sums payable by Tenant under this Lease, other than Basic Rent, shall be deemed "Additional Rent," and, unless otherwise set forth herein, shall be payable in the same manner as set forth above for Basic Rent. Basic Rent and Additional Rent shall jointly be referred to as "Rent" within the meaning of California Civil Code Section 1951(a), the nonpayment of which shall entitle Landlord to exercise all rights and remedies provided in **Article XX** or by law. It is intended that the Rent provided for in this Lease shall be an absolutely net return to Landlord for the Term of this Lease and any renewals or extensions thereof, free of any and all expenses or charges with respect to the Premises except for those obligations of Landlord expressly set forth herein.

4.3 Operating Expense Rental and Real Estate Tax Rental. Tenant shall pay to Landlord throughout the remainder of the Term, as Additional Rent, (i) Tenant's Proportionate Share of Operating Expenses (as defined in **Section 6.1**) during each Calendar Year ("Operating Expense Rental") in accordance with **Section 6.1**; and (ii) Tenant's Proportionate Share of Real Estate Taxes (as defined in **Article VII)** during each Calendar Year ("Real Estate Tax Rental") in accordance with **Article VII**. In the event the Expiration Date is other than the last day of a Calendar Year, Operating Expense Rental and Real Estate Tax Rental for the applicable Calendar Year shall be appropriately prorated. Landlord shall submit to Tenant at the beginning of each Calendar Year, or as soon thereafter as reasonably possible, a statement of Landlord's estimate of Operating Expense Rental and Real Estate Tax Rental due from Tenant during such Calendar Year. In addition to Basic Rent, Tenant shall pay to Landlord on or before the first day of each month during such Calendar Year an amount equal to 1/12th of Landlord's estimated Operating Expense Rental and estimated Real Estate Tax Rental as set forth in Landlord's statement. If Landlord fails to give Tenant notice of its estimated payments due for any Calendar Year, then Tenant shall continue making monthly estimated Operating Expense Rental and Real Estate Tax Rental payments in accordance with the estimate for the previous Calendar Year until a new estimate is provided. If Landlord determines that, because of unexpected increases in Operating Expenses or Real Estate Taxes, Landlord's estimate of the Operating Expense Rental or Real Estate Tax Rental was too low, then Landlord shall have the right once per Calendar Year to give a new statement of the estimated Operating Expense Rental and estimated Real Estate Tax Rental due from Tenant for the balance of such Calendar Year and bill Tenant for any deficiency. Tenant shall thereafter pay monthly estimated payments based on such new statement.

Within 90 days after the expiration of each Calendar Year, or as soon thereafter as is reasonably practicable, Landlord shall submit a statement to Tenant showing the actual Operating Expenses Rental and the actual Real Estate Tax Rental due from Tenant for such Calendar Year. If for any Calendar Year, Tenant's estimated Operating Expense Rental payments exceed the actual Operating Expense Rental due from Tenant, then Landlord shall give Tenant a credit in the amount of the overpayment toward Tenant's next monthly payment of estimated Operating Expense Rental, or, in the event this Lease has expired or terminated and no Event of Default (as defined in **Section 20.1**) exists, Landlord shall pay Tenant the total amount of such excess upon delivery of the reconciliation to Tenant. If for any Calendar Year, Tenant's estimated Operating Expense Rental payments are less than the actual Operating Expense Rental due from Tenant, then Tenant shall pay the total amount of such deficiency to Landlord within 30 days after receipt of the reconciliation from Landlord. If for any Calendar Year, Tenant's estimated Real Estate Tax Rental payments exceed the actual Real Estate Tax Rental due from Tenant, then Landlord shall give Tenant a credit in the amount of the overpayment toward Tenant's next monthly payment of estimated Real Estate Tax Rental, or, in the event this Lease has expired or terminated and no Event of Default exists, Landlord shall pay Tenant the total amount of such excess upon delivery of the reconciliation to Tenant. If for any Calendar Year, Tenant's estimated Real Estate Tax Rental payments are less than the actual Real Estate Tax Rental due from Tenant, then Tenant shall pay the total amount of such deficiency to Landlord within 30 days after receipt of the reconciliation from Landlord. Landlord's and Tenant's obligations with respect to any overpayment or underpayment of Operating Expense Rental and Real Estate Tax Rental shall survive the expiration or termination of this Lease.

4.4 Sales or Excise Taxes. Tenant shall pay to Landlord, as Additional Rent, concurrently with payment of Basic Rent all taxes, including, but not limited to any and all sales, rent or excise taxes (but specifically excluding income taxes calculated upon the net income of Landlord) on Basic Rent, Additional Rent or other amounts otherwise benefiting Landlord, as levied or assessed by any governmental or political body or subdivision thereof against Landlord on account of such Basic Rent, Additional Rent or other amounts otherwise benefiting Landlord, or any portion thereof.

V. SECURITY DEPOSIT

5.1 General. The Security Deposit shall be posted with Landlord in the form of a Letter of Credit (the "Letter of Credit"). If Landlord draws on the Letter of Credit (or Tenant replaces the Letter of Credit with a Security Deposit in the form of cash with Landlord's approval), then the Security Deposit shall be held by Landlord until disbursement in accordance with the terms of this Lease. The Security Deposit shall not bear interest to Tenant and shall be security for Tenant's obligations under this Lease. Landlord shall be entitled to commingle the Security Deposit with Landlord's other funds. The Security Deposit is not an advance payment of Rent or a measure of Tenant's liability for damages. Within 30 days after the Expiration Date or earlier termination of this Lease, or such lesser period as may be required by law, provided that Tenant has notified Landlord of the address to which the Security Deposit should be returned, Landlord shall (provided an Event of Default does not then exist) return the Security Deposit to Tenant, less such portion thereof as Landlord shall have applied in accordance with this **Article V**. If Tenant defaults with respect to any provisions of this Lease, including without limitation any provisions relating to the payment of Rent, then Landlord may use, apply, or retain all or any part of the Security Deposit for the payment of any Rent or any other sum in default, or for the payment of any other amount that Landlord may spend or become obligated to spend by reason of Tenant's default or to compensate Landlord for any loss or damage that Landlord may suffer by reason of Tenant's default. If Landlord so applies the Security Deposit or any portion thereof before the Expiration Date or earlier termination of this Lease, Tenant shall deposit with Landlord, upon demand, the amount

necessary to restore the Security Deposit to its original amount. If Landlord shall sell or transfer its interest in the Building, Landlord shall transfer the Security Deposit (which may be in the form of a credit to the purchase price) to such purchaser or transferee, in which event Tenant shall look solely to the new landlord for the return of the Security Deposit, and the transferring Landlord after such transfer shall be released from all liability to Tenant for the return of the Security Deposit. To the fullest extent permitted by law, Tenant hereby waives the provisions of Section 1950.7 of the California Civil code, and all other provisions of any law, now or hereafter in force, which provide 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 its agents, contractors, employers or invitees.

5.2 Form of Letter of Credit. The Letter of Credit shall be (i) irrevocable; (ii) issued by a financial institution approved by Landlord in Landlord's sole, reasonable discretion; (iii) in a form permitting partial and multiple drawings; (v) for (a) the entire Term extending until the date that which is ninety (90) days after the expiration of the Term, as such Term may be extended pursuant to the provisions of this Lease or (b) multiple terms of one (1) year each in duration, renewed at least sixty (60) days prior to the expiration thereof, the entire term extending until the date which is ninety (90) days after the expiration of the Term, as such Term may be extended pursuant to the provisions of the Lease; and (vi) be in the form attached hereto as **Exhibit H** or otherwise in form and substance acceptable to the Landlord, in its reasonable discretion. If a partial drawing occurs under the Letter of Credit, the Tenant shall, upon demand but not more than five (5) business days after such partial drawing, cause the financial institution to reissue the Letter of Credit in the amount then currently required under the terms of the Lease. In addition, within five (5) business days after the bank that issued the Letter of Credit then held by Landlord enters into any form of regulatory or governmental receivership or other similar regulatory or governmental proceeding, including any receivership instituted or commenced by the Federal Deposit Insurance Corporation ("FDIC"), or is otherwise declared insolvent or downgraded by the FDIC, Tenant shall deliver to Landlord a replacement letter of credit in the same form and amount of the initial letter of credit and from a banking institution acceptable to Landlord in its sole and absolute discretion. Notwithstanding the foregoing, the Landlord shall be entitled to draw down the entire amount of the Letter of Credit, without any notice, at any time on or after the earlier of (i) the occurrence of an Event of Default by Tenant under this Lease; or (ii) the thirtieth (30th) day preceding the expiration date of the Letter of Credit in the event Tenant is required to and fails to replace the Letter of Credit.

5.3 Reduction of Security Deposit/Letter of Credit. Provided no Event of Default exists under this Lease or would exist but for the pendency of any cure periods provided for in **Section 20.1** herein, the Letter of Credit or cash Security Deposit, as applicable, shall be reduced upon Tenant's request (i) at the end of the 19th full calendar month of the Term to $112,098.42; and (ii) at the end of the 31st full calendar month of the Term to $56,049.21. Notwithstanding the foregoing, if an uncured Event of Default exist at the end of the 19th or 31st full calendar month of the Term or would exist but for the pendency of any cure periods provided in **Section 20.1** herein, Tenant shall waive any right to a reduced Letter of Credit or cash Security Deposit, as applicable, and shall increase the Letter of Credit, or deposit any additional sums necessary to increase the cash Security Deposit, as applicable, to the full amount of $168,147.63.

VI. OPERATING EXPENSES

6.1 Operating Expenses Defined. As used herein, the term "Operating Expenses" shall mean all expenses, costs and disbursements of every kind and nature, except as specifically excluded otherwise herein, which Landlord incurs because of or in connection with the ownership, maintenance, management and operation of the Project, determined in accordance with sound management accounting principles and

not to exceed 100% of the amounts actually incurred by Landlord; provided that (i) if the Building or Project is less than 95% occupied, Operating Expenses shall include all additional costs and expenses of ownership, operation, management and maintenance of the Building or Project, as applicable, that can reasonably be expected to vary with occupancy, which Landlord determines that it would have paid or incurred during any Calendar Year if the Building or Project, as applicable had been 95% occupied; and (ii) if the Building or Project, as applicable is equal to or greater than 95% occupied, Operating Expenses shall include all costs and expenses of ownership, operation, management and maintenance of the Building or Project, as applicable, that can reasonably be expected to vary with occupancy, which Landlord determines that it would have paid or incurred during any Calendar Year if the Building or Project, as applicable, had been 100% occupied. To the extent that Operating Expenses are shared among the Building and one or more Other Buildings or relate to amenities or services provided only to, or used on a disproportionate basis by, specific tenants, Landlord shall allocate on an equitable basis such Operating Expenses to the Building and Other Buildings or among specific tenants of the Project, as determined in Landlord's reasonable discretion.

Operating Expenses may include, without limitation, all costs, expenses and disbursements incurred or made in connection with the following:

(i) Wages and salaries of all employees, whether employed by Landlord or the Project's management company, to the extent engaged in the operation and maintenance of the Project, and all costs related to or associated with such employees or the carrying out of their duties, including uniforms and their cleaning, taxes, auto allowances, training and insurance and benefits (including, without limitation, contributions to pension and/or profit sharing plans and vacation or other paid absences);

(ii) A management fee payable to Landlord or the company or companies managing the Project, if any, and the costs of equipping and maintaining a management office, including, but not limited to, rent, accounting and legal fees, supplies and other administrative costs; provided, however, the management fee for the initial Term shall not exceed three percent (3%) of total Basic Rent collected for the Project during such Term;

(iii) All supplies, tools, equipment and materials, including Common Area janitorial and lighting supplies, used directly in the operation and maintenance of the Project, including any lease payments therefor;

(iv) All utilities, including, without limitation, electricity, water, sewer and gas, for the Project, except for submetered electricity and gas for which Tenant pays Landlord in accordance with **Section 16.4**;

(v) All maintenance, operation and service agreements for the Project, and any equipment related thereto, including, without limitation, service and/or maintenance agreements for the Parking Facilities, energy management, HVAC, plumbing and electrical systems, and for window cleaning, elevator maintenance, janitorial service, groundskeeping, interior and exterior landscaping and plant maintenance;

(vi) Premiums and deductibles paid for insurance relating to the Project including, without limitation, fire and extended coverage, boiler, earthquake, windstorm, rental loss, and commercial general liability insurance;

(vii) All repairs to the Project, including interior, exterior, structural or nonstructural repairs, and regardless of whether foreseen or unforeseen; provided, however, any structural repairs which under generally accepted accounting principles should be classified as capital improvements shall be subject to inclusion pursuant to the terms of **Section 6.1(ix)** and otherwise excluded pursuant to **Section 6.2(v)** below;

(viii) All maintenance of the Project, including, without limitation, repainting Common Areas, replacing Common Area wall coverings, window coverings and carpet, ice and snow removal, window washing, landscaping, groundskeeping, trash removal and the patching, painting, resealing and complete resurfacing of roads, driveways and parking lots;

(ix) Any capital improvements made to the Project for the purpose of reducing Operating Expenses or which are required under any governmental law or regulation that was not applicable to the Project as of the Date of Lease, the cost of which shall be amortized on a straight-line basis over the improvement's useful life, not to exceed the Project's useful life, together with interest on the unamortized balance of such cost at the Interest Rate, or such higher rate as may have been paid by Landlord on funds borrowed for the purposes of constructing such capital improvements, or, at Landlord's election in the case of capital improvements that lower operating costs, the amortization amount will be Landlord's reasonable estimate of annual cost savings; and

(x) All amounts paid under easements, declarations, or other agreements or instruments affecting the Project, including, without limitation, assessments paid to property owners' or similar associations or bodies and assessments, costs and expenses incurred pursuant to the Declaration.

6.2 Operating Expense Exclusions. Operating Expenses shall not include: (i) depreciation on the Project; (ii) costs of tenant improvements incurred in renovating leased space for the exclusive use of a particular tenant of the Project; (iii) brokers' commissions; (iv) Project mortgage principal or interest or fees; (v) capital items other than those referred to in **Section 6.1**; (vi) costs of repairs or other work to the extent Landlord is reimbursed by insurance or condemnation proceeds; (vii) costs for utilities and Lighting Maintenance (as defined in **Section 11.2**) charged directly to, or paid directly by, Tenant pursuant to **Section 16.4** or other tenants of the Project other than as a part of the Operating Expenses; (viii) fines, interest and penalties incurred due to the late payment of Operating Expenses; (ix) organizational expenses associated with the creation and operation of the entity which constitutes Landlord; (x) any fines, interest, penalties, costs (including attorneys' fees) or damages that Landlord pays to Tenant under this Lease or to other tenants in the Project under their respective leases or incurred due to Landlord's violation of laws in effect as of the Date of Lease or after the Date of Lease, except to the extent resulting from the failure of Tenant to pay Rent in a timely manner; (xi) Real Estate Taxes as provided for in **Article VII**; (xii) expenditures which are reimbursed or compensated by warranties; (xiii) items and services for which a tenant or any third party specifically reimburses Landlord (other than as a part of Operating Expenses) or for which a tenant pays third persons; (xiv) attorneys' fees incurred by Landlord in connection with negotiations for leases with tenants or prospective tenants of the Project and in connection with disputes with or enforcement of any leases with specific tenants or prospective tenants of the Project; (xv) wages, salaries, fees and benefits paid to administrative or executive personnel of Landlord to the extent not acting in the capacity of a Building or Project manager and below such level for any personnel to the extent not involved in the direct operations or management of the Building or Project; (xvi) Landlord's advertising, promotional and marketing expenses; (xvii) expenses in connection with services or other benefits which are not offered to Tenant, but which are provided to another tenant of the Project without charge; (xviii) any cost representing an amount paid as interest or for services or materials to a person, firm or entity related to Landlord, to the extent such amount exceeds the amount that would be paid as interest or for such services or materials or comparable quality at the then existing market rates to an unrelated person, firm or corporation; and (xix) costs of clean-up, removal, remediation and repair in conformance with the requirements of applicable law of any damage or contamination caused by the presence of Hazardous Materials, to the extent of Landlord's obligation to perform such

work at Landlord's cost pursuant to **Section 9.2** of the Lease; provided, however, Operating Expenses may include the costs attributable to such work performed in connection with the ordinary operation and maintenance of the Project, including, without limitation, costs of cleaning up any minor chemical spills directly related to such ordinary maintenance and operation.

6.3 Tenant's Right to Audit. Tenant shall have a right, at Tenant's sole cost and expense, to audit Landlord's Operating Expense Rental reconciliation statement upon the following terms and conditions. Tenant shall notify Landlord in writing that it is exercising its right to audit within 90 days following delivery of the Operating Expense Rental reconciliation statement, indicating in such notice with reasonable specificity those cost components of Operating Expense Rental to be subject to audit. The audit shall take place at Landlord's regional offices or, at Landlord's option, the Building, at a time mutually convenient to Landlord and Tenant (but not later than 60 days after receipt of Tenant's notice to audit). Except as Landlord may consent in writing, the audit shall be completed within 10 days after commencement. No copying of Landlord's books or records will be allowed. The audit may be accomplished by either Tenant's own employees with accounting experience reasonably sufficient to conduct such review, or a nationally or regionally recognized public accounting firm mutually acceptable to Landlord and Tenant that is engaged on either a fixed price or hourly basis, and is not compensated on a contingency or bonus basis. Under no circumstances shall Landlord be required to consent to an accounting firm that is also a tenant of Landlord (or any Landlord affiliate) in the Building or the Project. The records reviewed by Tenant shall be treated as confidential and prior to commencing the audit, Tenant and any other person which may perform such audit for Tenant, shall execute a Confidentiality Agreement in a form reasonably acceptable to Landlord. A copy of the results of the audit shall be delivered to Landlord within 30 days after the completion of the audit. If Landlord and Tenant determine that Operating Expense Rental for the Calendar Year is less than reported, Landlord shall give Tenant a credit in the amount of the overpayment toward Tenant's next monthly payment of estimated Operating Expense Rental, or, in the event this Lease has expired or terminated and no Event of Default exists, Landlord shall pay Tenant the total amount of such overpayment within 30 days. If Landlord and Tenant determine that Operating Expense Rental for the Calendar Year is more than reported, Tenant shall pay Landlord the amount of any underpayment within 30 days. Furthermore, in the event that Landlord and Tenant determine that the actual Operating Expenses for the Calendar Year are less than the Operating Expenses reported by more than five percent (5%), as substantiated, at Landlord's option and expense, by a certified public accountant, then a credit in the amount of all reasonable out of pocket third party expenses incurred by Tenant in conducting such review, which amount shall not exceed $1,500.00, shall be applied towards Tenant's next monthly payments of estimated Operating Expenses Rental or, in the event the Lease has expired or terminated and no Event of Default exists, Landlord shall pay such expenses to Tenant within 30 days after receipt of Tenant's invoice. **Failure by Tenant to timely request an audit, or to timely deliver to Landlord the results of the audit, or to follow any of the procedures set forth in this Section 6.3 is deemed a waiver of the applicable audit right and any right to contest Operating Expense Rental for the applicable Calendar Year and is deemed acceptance of the Operating Expense Rental contained in the Operating Expense Rental reconciliation statement for the applicable Calendar Year**. Any audit review by Tenant shall not postpone or alter the liability and obligation of Tenant to pay any Operating Expense Rental due under the terms of this Lease. Tenant shall not be entitled to conduct such an audit if any Event of Default exists under this Lease. No subtenant shall have any right to conduct an audit except for a permitted assignee or sublessee under **Article X** of this Lease occupying the entire Premises and no assignee or sublessee shall conduct an audit for any period during which such assignee or sublessee was not in possession of the Premises or for any period in which Tenant has conducted an audit.

VII. REAL ESTATE TAXES

Real Estate Taxes shall be defined as (i) all real property taxes, assessments that are assessed, levied, or imposed on the land, buildings, and/or other improvements comprising all or part of the Project, or which are otherwise imposed in connection with the ownership, leasing, and operation of the Project; (ii) all personal property taxes levied by any public authority on personal property of Landlord used in the management, operation, maintenance and repair of the Project, (iii) all taxes, assessments and reassessments of every kind and nature whatsoever levied or assessed in lieu of or in substitution for existing or additional real or personal property taxes and assessments on the Project, including any so-called value-added tax, and (iv) amounts necessary to be expended because of governmental orders, charges or other actions, whether general or special, ordinary or extraordinary, unforeseen as well as foreseen, of any kind and nature for public improvements, services, benefits or any other purposes which are assessed, levied, confirmed, imposed or become a lien upon the Premises or Project or become payable during or are allocable to the Term; further, Tenant shall reimburse Landlord within 30 days after demand for all taxes and assessments required to be paid by Landlord (except to the extent included in Real Estate Taxes by Landlord), when (a) such taxes are measured by or reasonably attributable to the cost or value of (i) Tenant's equipment, furniture, fixtures and other personal property located in the Premises, or (ii) the Tenant Work or any other leasehold improvements made in or to the Premises by or for Tenant, to the extent the cost or value of such Tenant Work or other leasehold improvements exceeds the cost or value of a Building standard build-out as reasonably determined by Landlord regardless of whether title to such Tenant Work or improvements is vested in Tenant or Landlord; (b) such taxes are 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 Project (including the Parking Facilities); or (c) such taxes are assessed upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises, or upon rent or receipts (including any business license tax or gross receipts tax based on the rents or other revenues received by Landlord), the square footage of land or improvements within the Project, or the occupancy by tenants of space within the Project. Real Estate Taxes include any and all increases in Real Estate Taxes resulting from a change in ownership or new construction with respect to the Premises, the Building or the Project. Further, for the purposes of this **Article VII**, Real Estate Taxes shall include the reasonable expenses (including, without limitation, attorneys' fees) incurred by Landlord in challenging or obtaining or attempting to obtain a reduction of such Real Estate Taxes, regardless of the outcome of such challenge, and any costs incurred by Landlord for compliance, review and appeal of tax liabilities. Notwithstanding the foregoing, Landlord shall have no obligation to challenge Real Estate Taxes. If as a result of any such challenge, a tax refund is made to Landlord, then provided no Event of Default exists under this Lease, the net amount of such refund after payment of all costs and expenses of the challenge shall be deducted from Real Estate Taxes due in the Calendar Year such refund is received. In the case of any Real Estate Taxes which may be evidenced by improvement or other bonds or which may be paid in annual or other periodic installments, Landlord shall elect to cause such bonds to be issued or cause such assessment to be paid in installments over the maximum period permitted by law. **Nothing contained in this Lease shall require Tenant to pay any franchise, gift, estate, inheritance, succession or transfer tax of Landlord, or any income, profits or revenue tax or charge, upon the net income of Landlord from all sources. Tenant hereby waives any and all rights to protest appraised values or to receive notice of reappraised values regarding the Project or other property of Landlord.**

VIII. PARKING

8.1 General. During the Term, Tenant shall have the right in common with other tenants in the Building to rent/use the Parking Space Allocation (as defined in **Section 1.17**). All parking rights are subject to the Rules and Regulations (as defined in **Article XVIII**), validation, key-card, sticker or other identification systems set forth by Landlord from time to time. Landlord may restrict certain portions of

the Parking Facilities for the exclusive use of one or more tenants of the Project and may designate other areas to be used at large only by customers and visitors of tenants of the Project. Landlord reserves the right to delegate the operation of the Parking Facilities to a parking operator which shall be entitled to all the obligations and benefits of Landlord under this **Article VIII;** provided, however, Landlord shall have no liability whatsoever for claims arising through acts or omissions of any independent operator of the Parking Facilities. Except in connection with an assignment or sublease that is expressly permitted under this Lease, including, without limitation, an assignment or sublease made in accordance with **Section 10.4** or **Section 10.5**, Tenant's parking rights and privileges described herein are personal to Tenant and may not be assigned or transferred. Landlord shall have the right to cause to be removed any vehicles of Tenant or its Agents that are parked in violation of this Lease or in violation of the Rules and Regulations of the Building, without liability of any kind to Landlord.

8.2 Valet Parking. If Tenant requests the right to license a portion of the Parking Facilities and Landlord determines, in its reasonable discretion, that there is limited parking availability in the Parking Facilities, then Tenant shall have the right, at its sole cost and expense, to license a portion of the Parking Facilities containing 20 spaces ("Zscaler Valet Spaces") as part of Tenant's Parking Space Allocation and to use the Common Area driveways and aisleways to and from the Building and the Zscaler Valet Spaces, subject to the terms of this **Section 8.2**. In such event, Landlord and Tenant shall execute a license agreement in substantially the form of Landlord's standard form license agreement ("License Agreement") for the Project, which License Agreement shall set forth (a) the mutually acceptable terms for Tenant's license of the Zscaler Valet Spaces, (b) the reasonable qualifications and insurance requirements applicable to the valet services provider ("Valet Service") Tenant selects, and Landlord approves (which approval shall not be unreasonably withheld, conditioned or delayed), to provide, at Tenant's sole cost and expense, the valet and parking services for Tenant's Agents to and from the Building and the Zscaler Valet Spaces, pursuant to a contract between Tenant and such Valet Service, (c) the location of the Zscaler Valet Spaces, (d) the location in the Common Area where the Valet Service will pick-up and return the vehicles of Tenant's Agents and of the driveways and aisleways the Valet Service will use to and from the Building and the Zscaler Valet Spaces, and (e) such other mutually acceptable terms that Landlord and Tenant determine appropriate.

IX. USE AND REQUIREMENTS OF LAW

9.1 Use. The Premises will be used only for the Permitted Use. Tenant and Tenant's Agents will not: (i) do or permit to be done in or about the Premises, nor bring to, keep or permit to be brought or kept in the Premises, anything which is prohibited by or will in any way conflict with any law, statute, ordinance or governmental rule or regulation which is now in force or which may be enacted or promulgated after the Date of Lease or with the Declaration; (ii) do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants of the Building or Project; (iii) do or permit anything to be done in or about the Premises which is dangerous to persons or property; or (iv) cause, maintain or permit any nuisance in, on or about the Premises or commit or allow to be committed any waste in, on or about the Premises. At its sole cost and expense, Tenant will promptly comply with (a) all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or in force after the Commencement Date of this Lease regarding the operation of Tenant's business and the use, condition, configuration and occupancy of the Premises (except to the extent of Landlord's obligations under **Section 9.3** and **Exhibit B-1** with respect to the Tenant Work); (b) the certificate of occupancy issued for the Building and the Premises; and (c) any recorded covenants, conditions and restrictions, if any, which affect the use, condition, configuration and occupancy of the Premises, including the Declaration. Notwithstanding the foregoing, however, Tenant's obligations under this **Section 9.1** shall not include the performance of any structural work with respect to the Premises or other portions of the Project, except to the extent such work is required in connection with (a) Tenant's Alterations (as defined in **Section 12.3**), (b) Tenant's particular use of the Premises (as opposed to

Tenant's use of the Premises for the Permitted Use in a normal and customary manner) or (c) a change in the Permitted Use stated in **Section 1.8**, regardless of whether Landlord approves such change. The term "Permitted Use" specifically excludes any use as a call center or similar high-density use that exceeds any density limitation set forth in the Rules and Regulations; as an employment agency for day labor; by a governmental agency; or that is inconsistent with the Building being a Class A professional office building consistent with other Class A office buildings in the San Jose and Santa Clara market area.

9.2 Hazardous Materials. (a) Tenant Obligations. Tenant shall not bring or allow any of Tenant's Agents to bring on the Premises or the Project, any asbestos, petroleum or petroleum products, used oil, explosives, toxic materials or substances defined as hazardous wastes, hazardous materials or hazardous substances under any federal, state or local law or regulation ("Hazardous Materials"), except for routine office and janitorial supplies used on the Premises and stored in the usual and customary manner and quantities, and in compliance with all applicable environmental laws and regulations. In the event of any release of Hazardous Materials on, from, under or about the Premises or the Project as the result of Tenant's occupancy or use of the Premises, Landlord shall have the right, but not the obligation, to cause Tenant, at Tenant's sole cost and expense, to clean up, remove, remediate and repair any soil or groundwater contamination or other damage or contamination in conformance with the requirements of applicable law. **Tenant shall indemnify, protect, hold harmless and defend (by counsel reasonably acceptable to Landlord) Landlord, and its Agents and each of their respective successors and assigns, from and against any and all claims, damages, penalties, fines, liabilities and cost (including reasonable attorneys' fees and court costs) caused by or arising out of (i) a violation of the foregoing prohibitions or (ii) the presence or release of any Hazardous Materials on, from, under or about the Premises, the Project or other properties as the result of Tenant's occupancy or use of the Premises.** Neither the written consent of Landlord to the presence of the Hazardous Materials, nor Tenant's compliance with all laws applicable to such Hazardous Materials, shall relieve Tenant of its indemnification obligation under this Lease. Tenant shall immediately give Landlord written notice (a) of any suspected breach of this **Section 9.2**, (b) upon learning of the presence or any release of any Hazardous Materials within or about the Premises, or (c) upon receiving any notices from governmental agencies or other parties pertaining to Hazardous Materials which may affect the Premises. Notwithstanding anything contained in this **Section 9.2**, Tenant shall not have any liability to Landlord under this **Section 9.2** resulting from any Hazardous Materials (i) existing or generated, on, from, under or about the Project, including, without limitation, the Premises, prior to the Date of Lease unless caused or exacerbated by Tenant's violation of any applicable environmental laws or any breach by Tenant of its obligations under this **Section 9.2** or (ii) that migrate onto the Premises, Building or Project by no fault of Tenant. Landlord shall have the right from time to time, but not the obligation, to enter upon the Premises in accordance with **Article XIV** to conduct such inspections and undertake such sampling and testing activities as Landlord deems necessary or desirable to determine whether Tenant is in compliance with its obligations under **Section 9.2**.

(b) Hazardous Materials Disclosure; Landlord Obligations. Pursuant to the provisions of California Health & Safety Code Section 25359.7, Landlord hereby discloses to Tenant that the Project has been developed on the site of a former landfill and that Hazardous Materials have come to be located at the Project, and pursuant to the provisions of California Health & Safety Code Section 25249.6 (Proposition 65), Landlord hereby discloses to Tenant that some of such Hazardous Materials are known to the State of California to cause cancer or reproductive toxicity. Tenant acknowledges that prior to the Date of Lease Landlord made available to Tenant for review the reports and other materials identified on **Exhibit F** attached to this Lease, which is attached hereto and incorporated herein by this reference (collectively, the "Environmental Reports") regarding actual or potential releases of Hazardous Materials at, on, under, about, or otherwise affecting the Project. Tenant acknowledges that (i) the Environmental Reports are confidential and proprietary and that Tenant is obligated under the terms of the Mutual Non-Disclosure Agreement dated April 3, 2017 ("NDA"), between Landlord and Tenant to protect the

confidentiality of any Environmental Reports Landlord delivered to Tenant prior to the Date of Lease in accordance with the terms of the NDA, and agrees that such obligation shall continue from and after the Date of Lease and survive the expiration or earlier termination of this Lease; (ii) Landlord shall continue to make the Environmental Reports available for Tenant's review during the Term upon Tenant's request and execution of Landlord's confidentiality agreement, which shall contain terms substantially consistent with the NDA; (iii) Landlord makes no representations or warranties as to the accuracy of the contents of the Environmental Reports, and no representations or warranties regarding the actual or potential releases, except as set forth below in this **Section 9.2(b)**; (iv) Tenant has had the opportunity to conduct all investigation and testing of the Premises, either by itself or with the assistance of an expert, as it deems necessary; and (v) Tenant has determined that the Premises are appropriate for its use and waives and releases any and all claims or objections, including any claim for response costs, loss of use, business interruption, or termination, regarding the physical characteristics of the Premises, including the presence of any Hazardous Materials at, on, under, about, or otherwise affecting or emanating from the Premises. To the extent governmentally required and that Tenant is not responsible under this **Section**, Landlord shall be responsible, at no cost to Tenant, for the clean-up, removal, remediation and repair of any soil or groundwater contamination or other damage or contamination caused by the existence prior to the Commencement Date of Hazardous Materials on the Project in conformance with the requirements of applicable law. **Landlord shall indemnify, defend and hold harmless Tenant from and against any and all claims, damages, fines, judgments, penalties, costs, liabilities, losses and reasonable attorneys' fees to the sole extent arising out of or in connection with the existence of Hazardous Materials that are brought on the Premises, Building or Project by Landlord or Landlord's Agents.** The obligations of Landlord and Tenant hereunder shall survive the expiration or earlier termination, for any reason, of this Lease.

9.3 ADA Compliance. Notwithstanding any other statement in this Lease, the following provisions shall govern the parties' compliance with the Americans With Disabilities Act of 1990, as amended from time to time, Public Law 101-336; 42 U.S.C. §§12101, et seq. (the foregoing, together with any similar state statute governing access for the disabled or handicapped collectively referred to as the "ADA"):

(a) To the extent governmentally required as of or subsequent to the Commencement Date of this Lease as a result of an amendment to Title III of the ADA or any regulation thereunder enacted subsequent to the Commencement Date of this Lease, Landlord shall be responsible for compliance with Title III of the ADA with respect to any repairs, replacements or alterations (i) that constitute structural work with respect to the Premises (except to the extent such work is Tenant's obligation under **Section 9.3(b)**) or (ii) to the Common Area of the Project, and any such expense under this **Section 9.3(a)** shall be included as an Operating Expense of the Project. **Landlord shall indemnify, defend and hold harmless Tenant and its Agents from all fines, suits, procedures, penalties, claims, liability, losses, expenses and actions of every kind, and all costs associated therewith (including, without limitation, reasonable attorneys' and consultants' fees) arising out of or in any way connected with Landlord's failure to comply with Title III of the ADA as required above.**

(b) To the extent governmentally required, Tenant shall be responsible for compliance, at its expense, with Titles I and III of the ADA with respect to the Premises. Notwithstanding the foregoing, however, Tenant's obligations under this **Section 9.3(b)** shall not include the performance of any structural work with respect to the Premises, except to the extent such work is required in connection with (i) Tenant's Alterations, (ii) Tenant's particular use of the Premises (as opposed to Tenant's use of the Premises for the Permitted Use in a normal and customary manner) or (iii) a change in the Permitted Use stated in **Section 1.8**, regardless of whether Landlord approves such change. **Tenant shall indemnify, defend and hold harmless Landlord and its Agents from all fines, suits, procedures, penalties, claims, liability, losses, expenses and actions of every kind, and all costs associated therewith (including, without limitation, reasonable attorneys' and consultants' fees) arising out of or in any way connected with Tenant's failure to comply with Titles I and III of the ADA as required above.**

(c) Statement Required under California Civil Code § 1938. The Premises has not undergone inspection by a Certified Access Specialist and the Premises has not been determined to meet all applicable construction-related accessibility standards pursuant to California Civil Code § 55.53.

X. ASSIGNMENT AND SUBLETTING

10.1 Landlord's Consent.

(a) Tenant shall not assign, transfer, mortgage or otherwise encumber this Lease or sublet or rent (or permit a third party to occupy or use) the Premises, or any part thereof, nor shall any assignment or transfer of this Lease or the right of occupancy hereunder be effected by operation of law or otherwise, without the prior written consent of Landlord, such consent not to be unreasonably withheld. Subject to the terms of **Section 10.4** and **Section 10.5** below, a transfer at any one time or from time to time of a majority interest in Tenant (whether stock, partnership interest or other form of ownership or control) shall be deemed to be an assignment of this Lease, unless at the time of such transfer Tenant is an entity whose outstanding stock is listed on a recognized security exchange. Within 15 days following Landlord's receipt of Tenant's request for Landlord's consent to a proposed assignment, sublease, or other encumbrance, together with all information required to be delivered by Tenant pursuant to the provisions of this **Section 10.1**, Landlord shall: (i) consent to such proposed transaction; (ii) refuse such consent; or (iii) elect to terminate this Lease in the event of an assignment, or in the case of a sublease, terminate this Lease as to the portion of the Premises proposed to be sublet in accordance with the provisions of **Section 10.2.** Any assignment, sublease or other encumbrance without Landlord's written consent shall be voidable by Landlord and, at Landlord's election, constitute an Event of Default hereunder. Without limiting other instances in which Landlord may reasonably withhold consent to an assignment or sublease, Landlord and Tenant acknowledge that it shall be reasonable for Landlord to withhold consent (a) if an Event of Default exists under this Lease or if an Event of Default would exist but for the pendency of any cure periods provided under **Section 20.1**; or (b) if the proposed assignee or sublessee is: a governmental entity; a person or entity with whom Landlord has negotiated for space in the Project during the prior six months and for whom Landlord has space available in the Project to meet such person or entity's needs; a present tenant in the Project for whom Landlord has space available in the Project to meet such person or entity's needs; a person or entity whose tenancy in the Project would not be a Permitted Use or would violate any exclusivity arrangement which Landlord has with any other tenant; a person or entity of a character or reputation or engaged in a business which is not consistent with the quality of the Project; or not a party of reasonable financial worth and/or financial stability in light of the responsibilities involved under this Lease on the date consent is requested. If Tenant requests Landlord's consent to a specific assignment or subletting, Tenant will submit in writing to Landlord: (1) the name and address of the proposed assignee or subtenant; (2) a counterpart of the proposed agreement of assignment or sublease; (3) reasonably satisfactory information as to the nature and character of the business of the proposed assignee or subtenant, and as to the nature of its proposed use of the space; (4) banking, financial or other credit information reasonably sufficient to enable Landlord to determine the financial responsibility and character of the proposed assignee or subtenant; (5) executed estoppel certificates from Tenant containing such information as provided in **Section 24.4**; and (6) any other information reasonably requested by Landlord. Notwithstanding anything to the contrary contained herein, if Tenant claims that Landlord has unreasonably withheld or delayed its consent under this **Section 10.1**, Tenant's sole remedies shall be a declaratory judgment and an injunction for the relief sought and Tenant hereby waives all other remedies, including, without limitation, any right at law or equity to obtain damages or terminate this Lease, whether under California Civil Code Section 1995.310 or otherwise.

(b) Notwithstanding that the prior express written permission of Landlord to any of the aforesaid transactions may have been obtained, the following shall apply:

(i) In the event of an assignment, contemporaneously with the granting of Landlord's aforesaid consent, Tenant shall cause the assignee to expressly assume in writing and agree to perform all of the covenants, duties, and obligations of Tenant hereunder and such assignee shall be jointly and severally liable therefor along with Tenant.

(ii) All terms and provisions of this Lease shall continue to apply after any such transaction.

(iii) In any case where Landlord consents to an assignment, transfer, encumbrance or subletting, the undersigned Tenant and any Guarantor shall nevertheless remain directly and primarily liable for the performance of all of the covenants, duties, and obligations of Tenant hereunder (including, without limitation, the obligation to pay all Rent and other sums herein provided to be paid), and Landlord shall be permitted to enforce the provisions of this instrument against the undersigned Tenant, any Guarantor and/or any assignee without demand upon or proceeding in any way against any other person. Neither the consent by Landlord to any assignment, transfer, encumbrance or subletting nor the collection or acceptance by Landlord of rent from any assignee, subtenant or occupant shall be construed as a waiver or release of the initial Tenant or any Guarantor from the terms and conditions of this Lease or relieve Tenant or any subtenant, assignee or other party from obtaining the consent in writing of Landlord to any further assignment, transfer, encumbrance or subletting.

(iv) Tenant hereby assigns to Landlord the rent and other sums due from any subtenant, assignee or other occupant of the Premises and hereby authorizes and directs each such subtenant, assignee or other occupant to pay such rent or other sums directly to Landlord; provided however, that until the occurrence of an Event of Default, Tenant shall have the license to continue collecting such rent and other sums. Notwithstanding the foregoing, in the event that the rent due and payable by a sublessee under any such permitted sublease (or a combination of the rent payable under such sublease plus any bonus or other consideration therefor or incident thereto) exceeds the hereinabove provided Rent payable under this Lease, or if with respect to a permitted assignment, permitted license, or other transfer by Tenant permitted by Landlord, the consideration payable to Tenant by the assignee, licensee, or other transferee with respect to the assignment or sublease, as applicable, exceeds the Rent payable under this Lease, then Tenant shall be bound and obligated to pay Landlord, in accordance with **Section 10.3**, 50% of the Net Profits (as defined in **Section 10.3**) and any other excess consideration within 10 days following receipt thereof by Tenant from such sublessee, assignee, licensee, or other transferee, as the case may be.

(v) Tenant shall pay Landlord a fee in the amount of $1,000.00 to reimburse Landlord for all its expenses under this **Article X**, including, without limitation, reasonable attorneys' fees, in connection with any request for Landlord's consent to a sublease, assignment or deemed assignment, whether or not Landlord consents to such request, or when consent is not required under **Sections 10.4** and **10.5**, in connection with Landlord's review for compliance with such **Sections**.

10.2 Landlord's Option to Recapture Premises. If Tenant proposes to assign this Lease, Landlord may, at its option, upon written notice to Tenant given within 15 days after its receipt of Tenant's notice of proposed assignment, together with all other necessary information, elect to recapture the Premises and terminate this Lease. If Tenant proposes to sublease all or part of the Premises,

Landlord may, at its option upon written notice to Tenant given within 15 days after its receipt of Tenant's notice of proposed subletting, together with all other necessary information, elect to recapture such portion of the Premises as Tenant proposes to sublease and upon such election by Landlord, this Lease shall terminate as to the portion of the Premises recaptured. If a portion of the Premises is recaptured, the Rent payable under this Lease shall be proportionately reduced based on the square footage of the Rentable Square Feet retained by Tenant and the square footage of the Rentable Square Feet leased by Tenant immediately prior to such recapture and termination, and Landlord and Tenant shall thereupon execute an amendment to this Lease in accordance therewith. Landlord may thereafter, without limitation, lease the recaptured portion of the Premises to the proposed assignee or subtenant without liability to Tenant. Upon any such termination, Landlord and Tenant shall have no further obligations or liabilities to each other under this Lease with respect to the recaptured portion of the Premises, except with respect to obligations or liabilities which accrue or have accrued hereunder as of the date of such termination (in the same manner as if the date of such termination were the date originally fixed for the expiration of the Term).

10.3 Distribution of Net Profits. In the event that Tenant assigns this Lease or sublets all or any portion of the Premises during the Term, Landlord shall receive 50% of any "Net Profits" (as hereinafter defined) and Tenant shall receive 50% of any Net Profits received by Tenant from any such assignment or subletting. The term "Net Profits" as used herein shall mean such portion of the Rent payable by such assignee or subtenant in excess of the Rent payable by Tenant under this Lease (or pro rata portion thereof in the event of a subletting) for the corresponding period, after deducting from such excess Rent all of Tenant's documented reasonable third party costs associated with such assignment or subletting, including, without limitation, broker commissions, attorney fees and any costs incurred by Tenant to prepare or alter the Premises, or portion thereof, for the assignee or sublessee.

10.4 Transfers to Related Entities. Notwithstanding anything in this **Article X** to the contrary, unless an Event of Default exists under this Lease or Landlord has delivered notice to Tenant of a default and an Event of Default would exist if such default remains uncured after the pendency of any cure periods provided for under **Section 20.1**, Tenant may, without Landlord's consent, but after providing written notice to Landlord and subject to the provisions of **Section 10.1(b)(i-iii)** and **(v)**, assign this Lease or sublet all or any portion of the Premises to any Related Entity (as hereinafter defined) provided that (i) such Related Entity is not a governmental entity or agency; (ii) such Related Entity's use of the Premises would not cause Landlord to be in violation of any exclusivity agreement within the Project; and (iii) the tangible net worth (computed in accordance with generally accepted accounting principles exclusive of goodwill) of any assignee after such transfer is greater than or equal to the greater of (a) the tangible net worth of Tenant as of the Date of Lease; or (b) the tangible net worth of Tenant immediately prior to such transfer, and proof satisfactory to Landlord that such tangible net worth standards have been met shall have been delivered to Landlord at least 10 days prior to the effective date of any such transaction. "Related Entity" shall be defined as (i) any parent company, subsidiary, affiliate or related corporate entity of Tenant that controls, is controlled by, or is under common control with Tenant; or (ii) the surviving entity in the case of any merger or consolidation of Tenant.

10.5 Transfers of Ownership. Notwithstanding anything in this **Article X** to the contrary, unless an Event of Default exists under this Lease or Landlord has delivered notice to Tenant of a default and an Event of Default would exist if such default remains uncured after the pendency of any cure periods provided for under **Section 20.1**, Tenant may, without Landlord's consent, but after providing at least 10 days' prior notice to Landlord and subject to the provisions of **Section 10.1(b)(i-iii)** and **(v)**, transfer a majority interest in Tenant or all or substantially all of the assets of Tenant in one or more transactions, provided that the tangible net worth (computed in accordance with generally accepted accounting principles exclusive of intangible assets, including goodwill) of Tenant after such transfer is at least equal to the greater of (i) the tangible net worth of Tenant as of the Date of Lease; or (ii) the tangible

net worth of Tenant immediately prior to such transfer (or the first such transfer in the case of a series of transfers), and proof reasonably satisfactory to Landlord of such tangible net worth standards have been met shall have been delivered to Landlord at least 10 days prior to the effective date of any such transaction.

XI. MAINTENANCE AND REPAIR

11.1 Landlord's Obligation. Landlord will maintain, repair and restore in a first-class manner consistent with the first-class nature of the Building and Project (i) the Common Area; (ii) the mechanical, plumbing, electrical and HVAC equipment serving the Building; (iii) the structure of the Building (including roof, exterior walls and foundation); (iv) exterior windows of the Building; and (v) Building standard lighting, except for Lightning Maintenance, which is governed by **Section 11.2**. Except as otherwise provided in **Section 11.2**, the cost of such maintenance and repairs to the Building shall be included in the Operating Expenses and paid by Tenant as provided in **Article VI**; provided, however, Tenant shall bear the full cost, plus five percent (5%) of such cost for Landlord's overhead, of any maintenance, repair or restoration necessitated by the negligence or willful misconduct of Tenant or its Agents. Tenant acknowledges that Landlord shall not be obligated to provide any janitorial or security services or Lighting Maintenance for the Premises. **Tenant waives all rights to make repairs at the expense of Landlord, to deduct the cost of such repairs from any payment owed to Landlord under this Lease or to vacate the Premises or terminate this Lease whether under California Civil Code Section 1942 or any other law. Tenant further waives the provisions of California Civil Code Section 1932 with respect to Landlord's obligations under this Lease.**

11.2 Tenant's Obligation. Subject to Landlord's express obligations set forth in **Section 11.1**, Tenant, at its expense, shall maintain the Premises in good condition and repair, reasonable wear and tear and casualty governed by the provisions of **Article XIX** excepted. Tenant's obligation shall include without limitation the obligation to provide in a first-class manner consistent with the first-class nature of the Building and Project (a) janitorial services for the Premises using contractors approved by Landlord pursuant to service contracts approved by Landlord and (b) maintain and repair all (i) interior windows and walls; (ii) floor coverings; (iii) ceilings; (iv) doors; (v) entrances to the Premises; (vi) supplemental HVAC systems within the Premises; (vii) private restrooms and kitchens, including hot water heaters, plumbing and similar facilities serving Tenant exclusively; and (viii) all light bulbs, lamps, starters and ballasts for lighting fixtures within the Premises ("Lighting Maintenance") using contractors approved by Landlord pursuant to service contracts approved by Landlord; provided that, Landlord shall have the right to contract directly, subject to reimbursement by Tenant of the associated cost and expense as provided in **Section 16.4**, for such Lighting Maintenance. Landlord may establish reasonable measures to conserve energy and water. Landlord shall have the right to inspect the Premises for compliance with this **Section 11.2** in accordance with **Article XIV** and to require Tenant to provide additional cleaning, if necessary. Tenant will promptly advise Landlord of any damage to the Premises or the Project. All damage or injury to the Premises (excluding Tenant's equipment, personal property and trade fixtures) that Tenant is required to repair under this **Section** may be repaired, restored or replaced by Landlord, at the expense of Tenant, and such expense (plus five percent (5%) of such expense for Landlord's overhead) will be collectible as Additional Rent and will be paid by Tenant upon demand. If Tenant fails to provide any of the janitorial services or Lighting Maintenance required to be performed by Tenant for more than five (5) days after notice from Landlord or if Tenant fails to make any repairs to the Premises for more than 30 days after notice from Landlord (although notice shall not be required in the event of an emergency as defined in **Article XIV**), Landlord may, at its option, cause all required services, maintenance, repairs, restorations or replacements to be made and Tenant shall pay Landlord pursuant to this **Section 11.2**.

XII. INITIAL CONSTRUCTION; ALTERATIONS

12.1 Initial Construction. Landlord and Tenant agree that the construction of any Tenant Work shall be performed by Landlord in accordance with and as defined in **Exhibit B-l**. In addition, Landlord shall deliver all structural elements and subsystems of the Premises, including but not limited to the HVAC, mechanical, electrical, and plumbing systems serving the Premises, in good working condition and repair on the Commencement Date. Subject to the foregoing and the construction of the Tenant Work, Landlord shall have no other obligations whatsoever to construct any improvements to the Premises and **Tenant accepts the Premises "AS IS", "WHERE IS" and "WITH ANY AND ALL FAULTS", and Landlord neither makes nor has made any representations or warranties, express or implied, with respect to the quality, suitability or fitness thereof of the Premises, or the condition or repair thereof. Tenant taking possession of the Premises shall be conclusive evidence for all purposes of Tenant's acceptance of the Premises in good order and satisfactory condition, and in a state and condition satisfactory, acceptable and suitable for Tenant's use pursuant to this Lease.**

12.2 Installing and Operating Tenant's Equipment. Without first obtaining the written consent of Landlord, not to be unreasonably withheld, Tenant shall not install or operate in the Premises (i) any electrically operated equipment or other machinery, other than standard office equipment that does not require wiring, cooling or other service in excess of Building standards; (ii) any equipment of any kind or nature whatsoever which will require any changes, replacements or additions to, or changes in the use of, any water, heating, plumbing, air conditioning or electrical system of the Premises or the Project; or (iii) any equipment which exceeds the electrical or floor load capacity per square foot for the Building. Landlord's consent to such installation or operation may be conditioned upon the payment by Tenant of additional compensation for any excess consumption of utilities and any additional power, wiring, cooling or other service that may result from such equipment. Machines and equipment which cause noise or vibration that may be transmitted to the structure of the Building or to any space therein so as to be objectionable to Landlord or any other Project tenant shall be installed and maintained by Tenant, at its expense, on vibration eliminators or other devices sufficient to eliminate such noise and vibration. Tenant and Tenant's telecommunications companies, including but not limited to, local exchange telecommunications companies and alternative access vendor services companies, shall have no right of access to the Land, Building or the Project for the installation and operation of telecommunications systems, including but not limited to, voice, video, data, and any other telecommunications services provided over wire, fiber optic, microwave, wireless, and any other transmission systems, for part or all of Tenant's telecommunications within the Building without Landlord's prior written consent, such consent not to be unreasonably withheld.

12.3 Alterations. Tenant shall not make or permit any alterations, decorations, additions or improvements of any kind or nature to the Premises or the Project, whether structural or nonstructural, interior, exterior or otherwise ("Alterations") without the prior written consent of Landlord, said consent not to be unreasonably withheld or delayed. Landlord may impose any reasonable conditions to its consent, including, without limitation: (i) prior approval of the plans and specifications and contractor(s) with respect to the Alterations (provided that Landlord may designate specific contractors with respect to Building systems); (ii) supervision by Landlord's representative, at Tenant's expense, of the Alterations; (iii) proof of worker's compensation insurance and commercial general liability insurance in such amounts and meeting such requirements as reasonably requested by Landlord; (iv) delivery to Landlord of written and unconditional waivers of mechanic's and materialmen's liens as to the Project for all work, labor and services to be performed and materials to be furnished, signed by all contractors, subcontractors, materialmen and laborers participating in the Alterations; (v) delivery of permits, certificates of occupancy, "as-built" plans, and equipment manuals; and (vi) any security for performance or payment that is reasonably required by Landlord. Subject to compliance with the foregoing requirements for installation of Alterations, Tenant shall have the right to install a card-key security

system providing access to the Premises. The Alterations shall conform to Landlord's Specifications (as defined in **Exhibit B-1**) and set forth in **Exhibit B-3** attached hereto and made a part hereof and the requirements of federal, state and local governments having jurisdiction over the Premises, including, without limitation, the ADA, the California ADA, the OSHA General Industry Standard (29 C.F.R. Section 1910.1001, et seq.), and the OSHA Construction Standard (29 C.F.R. Section 1926.1001, et seq.) and shall be performed in accordance with the terms and provisions of this Lease and in a good and workmanlike manner using material of a quality that is at least equal to the quality designated by Landlord as the minimum standard for the Building. Notwithstanding the foregoing, Tenant shall have the right, without Landlord's consent, to perform in the Premises any nonstructural Alteration; provided that Tenant has provided Landlord with at least ten (10) business days prior written notice of such Alteration and such Alteration (i) does not affect the other tenants of the Building or the Building's mechanical, electrical, plumbing, HVAC or fire, life safety systems; (ii) does not require any other alteration, addition, or improvement to be performed in or made to any portion of the Building or Project other than the Premises; (iii) does not increase the Building's assessed value for tax purposes; (iv) does not alter the architectural or structural integrity of the Building; (v) does not require a building permit; (vi) is not visible from the exterior of the Premises; and (vii) together with any other Alterations, does not exceed a cost of $15,000 in any one Calendar Year. (provided that Tenant shall not perform such Alterations in stages in order to subvert this provision). All computer, telecommunications or other cabling, wiring and associated appurtenances (collectively, "Cabling") installed by Tenant inside any of the interior walls of the Premises, above the ceiling of the Premises, in any portion of the ceiling plenum above or below the Premises, or in any portion of the Common Areas of the Building, including but not limited to any of the shafts or utility rooms of the Building, shall be clearly labeled or otherwise identified as having been installed by Tenant. All Cabling installed by Tenant shall comply with the requirements of the National Electric Code and any other applicable fire and safety codes. Landlord may designate reasonable rules, regulations and procedures for the performance of work in the Building and, to the extent reasonably necessary to avoid disruption to the occupants of the Building, shall have the right to designate the time when Alterations may be performed. If the Alterations are not performed as herein required, Landlord shall have the right, at Landlord's option, to halt any further Alterations, or to require Tenant to perform the Alterations as herein required or to require Tenant to return the Premises to its condition before such Alterations. All or any part of the Alterations, whether made with or without the consent of Landlord, shall, at the election of Landlord, either be removed by Tenant at its expense before the expiration of the Term or shall remain upon the Premises and be surrendered therewith at the Expiration Date or earlier termination of this Lease as the property of Landlord without disturbance, molestation or injury; provided, Tenant shall remove any card-key security system installed pursuant to this **Section 12.3** and all Cabling installed by Tenant anywhere in the Premises or the Building to the point of the origin of such Cabling. If required by Tenant, Landlord's election shall be made at the time Landlord approves installation of such Alterations. If Landlord requires the removal of all or part of the Alterations, Tenant, at its expense, shall repair any damage to the Premises or the Project caused by such removal and restore the Premises and the Project to its condition prior to the construction of such Alterations, reasonable wear and tear excepted. If Tenant fails to remove the Alterations upon Landlord's request and repair and restore the Premises and Project, then Landlord may (but shall not be obligated to) remove, repair and restore the same and the cost of such removal, repair and restoration together with any and all damages which Landlord may suffer and sustain by reason of the failure of Tenant to remove, repair and restore the same, shall be charged to Tenant and paid upon demand. Notwithstanding the foregoing, Tenant may at any time remove any trade fixtures, business equipment, personal property and furniture provided that Tenant repairs any damage to the Premises resulting from the removal of such items and restores the Premises to its condition prior to the installation of such items, reasonable wear and tear excepted.

12.4 Mechanics' Liens. Tenant will pay or cause to be paid all costs and charges for: (i) work done by Tenant or caused to be done by Tenant, in or to the Premises; and (ii) materials furnished for or in connection with such work. **Tenant will indemnify Landlord against and hold Landlord, the Premises, and the Project free, clear and harmless of and from all mechanics' liens and claims of liens, and all other liabilities, liens, claims, and demands on account of such work by or on behalf of Tenant.** If any such lien, at any time, is filed against the Premises, or any part of the Project, Tenant will cause such lien to be discharged of record within 10 days after the date Tenant receives notice of the filing of such lien, either by resolving the matter and causing a release to be recorded in the Official Records of the County in which the Project is located, or by recording a mechanic's lien release bond in accordance with the provisions of Civil Code Section 8424. If Tenant fails to timely cause the lien to be removed as described above, Landlord may, at its option, pay to the claimant all amounts necessary to discharge the lien, regardless of the validity or enforceability of the claim, together with any related costs and interest, and the amount so paid, together with attorneys' fees incurred in connection with such lien, will be immediately due from Tenant to Landlord as Additional Rent. Nothing contained in this Lease will be deemed the consent or agreement of Landlord to subject Landlord's interest in all or any portion of the Project to liability under any mechanics' lien or to any other lien law. If Tenant receives notice that a lien has been or is about to be filed against the Premises or any part of the Project or any action affecting title to the Project has been commenced on account of work done by or for or materials furnished to or for Tenant, it will immediately give Landlord written notice of such notice. At least 15 days prior to the commencement of any work (including, but not limited to, any maintenance, repairs or Alteration) in or to the Premises, by or for Tenant, Tenant will give Landlord written notice of the proposed work and the names and addresses of the persons supplying labor and materials for the proposed work. Landlord will have the right to post notices of non-responsibility or similar notices, if applicable, on the Premises or in the public records in order to protect the Premises and Project against such liens.

XIII. SIGNS

Except as expressly provided for in this **Article XIII**, no sign, advertisement or notice shall be inscribed, painted, affixed, placed or otherwise displayed by Tenant on any part of the Project or the outside or the inside (to the extent visible from the exterior of the Premises or Building) of the Building or the Premises. Landlord shall, at Landlord's expense, (a) provide a listing on the directory in the lobby of the Building listing all Building tenants; (b) place the suite number and/or Tenant name on or in the immediate vicinity of the entry door to the Premises using Building standard sign material and lettering; and (c) place signage ("Tenant Monument Signage") on the Project's existing monument sign (the "Monument Sign") at the location designated by Landlord. If any prohibited sign, advertisement or notice is nevertheless exhibited by Tenant, Landlord shall have the right to remove the same, and Tenant shall pay upon demand any and all expenses incurred by Landlord in such removal, together with interest thereon at the Interest Rate from the demand date. So long as (i) no Event of Default exists and remains uncured under this Lease, and (ii) Zscaler, Inc. or a Related Entity occupies the entire Premises, then Tenant shall, at Tenant's sole cost and expense and subject to the terms of this **Section**, have the nonexclusive right to display eyebrow signage ("Eyebrow Signage") on the northside of the Building in the location shown on **Exhibit G**. Tenant's right to display the Eyebrow Signage is further conditioned on Tenant's installation and maintenance of such Eyebrow Signage in a good and workmanlike manner by contractors approved by Landlord and otherwise in accordance with the same terms that apply to Alterations to the Premises. The Tenant Monument Signage and Eyebrow Signage (collectively, the "Tenant Signage") shall contain only the name of Tenant and shall be subject to the approval of Landlord, in its reasonable discretion as to consistency in appearance with other tenant signage on the Building exterior and on the Monument Sign, as applicable, and in Landlord's reasonable discretion, as to location, lettering, design, material, size, lighting, logo and color scheme prior to installation. In no event shall any Tenant Signage displayed by Tenant interfere with the visibility from the Building. Further, all such Tenant Signage must conform to all applicable recorded covenants, conditions and restrictions, zoning and other governmental ordinances, laws and regulations, and the Project's design signage and graphics program, and Tenant shall obtain all required approvals of third parties, if any. Landlord shall be

responsible for the maintenance of the Tenant Monument Signage and the Monument Sign in good condition and repair; provided that Tenant shall reimburse Landlord for Tenant's pro rata share of the costs and expenses associated with such maintenance of the Tenant Monument Signage and the Monument Sign, which pro rata share shall be the percentage amount equal to the number of square feet of area on the Monument Sign that is occupied by the Tenant Monument Signage divided by the total number of square feet of area on the Monument Sign then occupied by monument signage displaying the names of any occupants of the Project and multiplying the resulting quotient by one hundred and rounding to the second decimal place. Upon the expiration or earlier termination of this Lease, Landlord shall remove the Tenant Signage and repair the affected portions of the Building and Monument Sign, as applicable, to the condition as they existed prior to installation of the Tenant Signage, reasonable wear and tear and casualty damage excepted, at Tenant's sole cost and expense, for which Tenant shall reimburse Landlord the cost and expense incurred for the same upon demand. Tenant's right to install and maintain Tenant Signage under this **Section** shall be personal to Zscaler, Inc. and (i) any Related Entity to whom this Lease is assigned in accordance with **Section 10.4** or (ii) any entity to whom this Lease is assigned or who succeeds Zscaler, Inc. as Tenant in accordance with **Section 10.5**.

XIV. RIGHT OF ENTRY

Tenant shall permit Landlord or its Agents to enter the Premises without charge therefor to Landlord and without diminution of Rent or claim of constructive eviction: (i) to clean, inspect and protect the Premises and the Project; (ii) to make such alterations and repairs to the Premises or any portion of the Building, including other tenants' premises, which Landlord determines to be reasonably necessary; (iii) to exhibit the same to prospective purchaser(s) of the Building or the Project or to present or future Mortgagees; or (iv) to exhibit the same to prospective tenants during the last 12 months of the Term. Landlord will endeavor to minimize, as reasonably practicable, any interference with Tenant's business and shall provide Tenant with reasonable prior notice of entry into the Premises (which may be given verbally), except in the event of an apparent emergency condition arising within or affecting the Premises that endangers or threatens to endanger property or the safety of individuals.

XV. INSURANCE

15.1 Certain Insurance Risks. Tenant will not do or permit to be done any act or thing upon the Premises or the Project which would: (i) jeopardize or be in conflict with fire insurance policies covering the Project, and fixtures and property in the Project; or (ii) increase the rate of fire insurance applicable to the Project to an amount higher than it otherwise would be for general office use of the Project; or (iii) subject Landlord to any liability or responsibility for injury to any person or persons or to property by reason of any business or operation being conducted upon the Premises.

15.2 Landlord's Insurance. At all times during the Term, Landlord will carry and maintain:

(a) Fire and extended coverage insurance covering the Building, its equipment and common area furnishings, and leasehold improvements in the Premises to the extent of any initial build out of the Premises by Landlord;

(b) Bodily injury and property damage insurance; and

(c) Such other insurance as Landlord reasonably determines from time to time.

The insurance coverages and amounts in this **Section 15.2** will be commercially reasonable and as determined by Landlord in the exercise of its reasonable discretion consistent with the insurance coverages and amounts carried by owner of comparable buildings in the Santa Clara and San Jose market area.

15.3 Tenant's Insurance. On or before the earlier to occur of (i) the Commencement Date; or (ii) the date Tenant commences any work of any type in the Premises pursuant to this Lease (which may be prior to the Commencement Date) and continuing throughout the Term, Tenant will carry and maintain, at Tenant's expense, the following insurance, in the minimum amounts specified below or such other amounts as Landlord may from time to time reasonably request, with insurance companies and on forms reasonably satisfactory to Landlord:

(a) Commercial general liability insurance, with a combined single occurrence limit and aggregate of not less than $1,000,000. All such insurance will be on an occurrence ISO form including without limitation, bodily injury, property damage, personal injury, advertising injury, products and completed operations liability, and contractual liability coverage for the performance by Tenant of the indemnity agreements set forth in this Lease;

(b) A policy of cause of loss-specialty property insurance coverage at least equal to ISO Special Form Causes of Loss and covering all of Tenant's furniture and fixtures, machinery, equipment, stock and any other personal property owned and used in Tenant's business and found in, on or about the Project, and any leasehold improvements to the Premises in excess of any initial buildout of the Premises by Landlord, in an amount not less than the full replacement cost;

(c) Worker's compensation insurance insuring against and satisfying Tenant's obligations and liabilities under the worker's compensation laws of the state in which the Premises are located, including employer's liability insurance in the limit of $1,000,000 aggregate;

(d) If Tenant operates owned, hired, or nonowned vehicles on the Project, comprehensive automobile liability will be carried at a limit of liability not less than $1,000,000 combined bodily injury and property damage;

(e) Umbrella liability insurance in excess of the underlying coverage listed in **paragraphs (a), (c) and (d)** above, with limits of not less than $4,000,000 per occurrence/$4,000,000 aggregate;

(f) Loss of income and extra expense insurance in amounts as will reimburse Tenant for direct or indirect loss of earning attributable to all perils insured against under the ISO Causes of Loss—Special Form Coverage, or attributable to prevention of access to the Premises as a result of such perils. Such insurance shall provide for an extended period of indemnity to be not less than 12 months; and

(g) All insurance required under this **Section 15.3** shall be issued by such good and reputable insurance companies qualified to do and doing business in the state in which the Premises are located and having a policyholder rating of not less than "A-" and a financial rating of "VII" in the most current copy of Best's Insurance Report in the form customary to this locality.

15.4 Forms of the Policies. Landlord and its affiliates, Landlord's management company, Landlord's Mortgagee (as defined in **Article XXI**), and such other parties as Landlord shall designate to Tenant who have an insurable interest in the Premises or Project shall be: (i) named as additional insureds (other than for Worker's Compensation) and have waiver of subrogation rights with respect to the coverages provided for under **Section 15.3 (a), (c), (d) and (e)**, and (ii) as loss payees as their interest may appear with respect to the coverage provided under **Section 15.3 (b)**. Certificates of insurance together with any endorsements providing the required coverage will be delivered to Landlord prior to

Tenant's occupancy of the Premises and from time to time at least 15 days prior to expiration of the term, material change, reduction in coverage, or other termination thereof. All commercial general liability and property policies (including any umbrella policies in excess of such policies) herein required to be maintained by Tenant will be written as primary policies, not contributing with and not supplemental to the coverage that Landlord may carry. Commercial general liability insurance required to be maintained by Tenant by this **Article XV** will not be subject to a deductible or any self-insured retention in excess of $25,000.00.

15.5 Waiver of Subrogation. Landlord and Tenant each releases, discharges and waives and shall cause their respective insurance carriers to waive any and all rights to recover against the other or against the Agents of such other party for any loss or damage to such waiving party (including deductible amounts) arising from any cause covered by any property insurance required to be carried by such party pursuant to this **Article XV** or any other property insurance actually carried by such party to the extent of the limits of such policy. Tenant agrees to cause all other occupants of the Premises claiming by, under or through Tenant, to execute and deliver to Landlord and its affiliates, Landlord's management company, and Landlord's Mortgagee such a waiver of claims and to obtain such release, discharge and waiver of subrogation rights endorsements.

15.6 Adequacy of Coverage. Landlord makes no representation that the limits of liability specified to be carried by Tenant pursuant to this **Article XV** are adequate to protect Tenant and Tenant should obtain such additional insurance or increased liability limits as Tenant deems appropriate. Furthermore, in no way does the insurance required herein limit the liability of Tenant assumed elsewhere in this Lease.

XVI. SERVICES AND UTILITIES

16.1 Ordinary Services to the Premises. Landlord shall furnish to the Premises throughout the Term so long as the Premises are occupied: (i) heating, ventilation, and air conditioning ("HVAC") appropriate for the Permitted Use during Normal Business Hours (as defined in the Rules and Regulations), except for legal holidays observed by the federal government; (ii) trash removal from the Premises; (iii) reasonable use of all existing basic intra-Building and/or Project telephone and network cabling; (iv) hot and cold water from points of supply; (v) restrooms; (vi) elevator service, provided that Landlord shall have the right to remove such elevators from service as may reasonably be required for moving freight or for servicing or maintaining the elevators or the Building; and (vii) proper facilities to furnish sufficient electrical power for Building standard lighting, facsimile machines, personal computers, printers, copiers and other customary business equipment, but not including electricity and air conditioning units required for equipment of Tenant that is in excess of Building standard. The cost of all services provided by Landlord hereunder shall be included within Operating Expenses, unless charged directly (and not as a part of Operating Expenses) to Tenant or another tenant of the Project. Landlord may establish reasonable measures to conserve energy and water.

16.2 Additional Services. Should Tenant desire any additional services beyond those described in **Section 16.1**, or a rendition of any of such services outside the normal times for providing such service, Landlord may (at Landlord's option), upon reasonable advance notice from Tenant to Landlord, furnish such services, and Tenant agrees to pay Landlord upon demand Landlord's additional expenses resulting therefrom. Landlord may, from time to time during the Term, set a charge for such additional services, or a per hour charge for additional or after hours service which shall include the utility, service, labor, and administrative costs and a cost for depreciation of the equipment used to provide such additional or after hours service.

16.3 Interruption of Utilities or Services. Landlord will not be liable to Tenant or any other person for direct or consequential damages (including, without limitation, damages to persons or property or for injury to, or interruption of, business), Tenant shall not be entitled to any abatement or reduction of rent except as expressly set forth in this **Section 16.3**, nor shall a constructive eviction exist or shall Tenant be released from any of Tenant's obligations under this Lease (a) for any failure to supply any heat, air conditioning, elevator, cleaning, lighting or security or for any surges or interruptions of electricity, telecommunications or other service Landlord has agreed to supply during any period when Landlord uses reasonable diligence to supply such services; (b) as a result of the admission to or exclusion from the Building or Project of any person; or (c) for any discontinuance permitted under this **Article XVI**. Landlord reserves the right temporarily to discontinue the services set forth in the foregoing sentence, or any of them, at such times as may be necessary by reason of accident, repairs, alterations or improvement, strikes, lockouts, riots, acts of God, governmental preemption in connection with a national or local emergency, any rule, order or regulation of any governmental agency, conditions of supply and demand which make any product unavailable, Landlord's compliance with any mandatory or voluntary governmental energy conservation or environmental protection program, or any other happening beyond the control of Landlord. In the event of invasion, mob, riot, public excitement or other circumstances rendering such action advisable in Landlord's reasonable opinion, Landlord will have the right to prevent access to the Building or Project during the continuance of the same by such means as Landlord, in its reasonable discretion may deem appropriate, including, without limitation, locking doors and closing Parking Facilities and the Common Areas. Notwithstanding the foregoing, in the event of any failure to furnish, or any stoppage of, the following specified services for a period in excess of five consecutive days, and if: (a) such interruption is restricted to the Building and is not a neighborhood blackout or caused by an Event of Force Majeure; (b) such failure to furnish or stoppage is caused by the negligence or willful misconduct of Landlord or by the failure of Landlord to commence and diligently pursue repairs for which Landlord is responsible under this Lease; (c) such interruption results in the Premises becoming untenantable; and (d) Tenant actually ceases to occupy the Premises as a result thereof, Tenant shall be entitled to an abatement of Rent which shall commence on the sixth day (and shall not be retroactive) and shall continue for the remainder of the period of such failure to furnish or stoppage of such specified services. As used in this **Section 16.3**, the specified services are electricity, water, natural gas and sewer service.

16.4 Meters; Lighting Maintenance. The Premises shall be submetered as of the Commencement Date to measure Tenant's usage of gas and electricity in the Premises. Landlord shall bill the charges for gas and electricity usage in the Premises directly to Tenant as Additional Rent. In addition, Landlord reserves the right to perform the Lighting Maintenance and to separately meter or monitor other utility services provided to the Premises, at Tenant's expense, and bill the charges directly to Tenant, or to separately meter any other tenant and bill the charges directly to such tenant and to make appropriate adjustments to the Operating Expenses based on the meter charges. Tenant shall pay the charges Landlord bills to Tenant pursuant to this **Section 16.4** within 30 days after receipt of Landlord's invoice.

16.5 Telephone and Other Utility Charges. All telephone and other utility service used by Tenant in the Premises shall be paid for directly by Tenant except to the extent the cost of same is included within Operating Expenses or billed to Tenant pursuant to **Article XVI**.

16.6 Use of Flextronics Fitness Center and Cafeteria. Pursuant to that certain Lease dated as of October 28, 2011 (as amended, the "Flextronics Lease") between Flextronics International USA, Inc. ("Flextronics") and Landlord, Flextronics and Landlord established a program for tenants of the Building to use Flextronics' fitness center in the Building (the "Fitness Center") on a nonexclusive basis, together with Flextronics and other tenants of the Building. Landlord shall cooperate with Tenant in order to make available as of the Commencement Date 15 memberships to Tenant (each a "Membership") for any of the

employees of Tenant to use the Fitness Center, it being understood that the Memberships are granted to Tenant and may be used by any employee of Tenant with an access card issued by Flextronics and who has signed the Waiver (as defined in this **Section 16.6**), not to a specifically designated 15 employees of Tenant. Such Memberships shall be subject to the terms of a License Agreement that Flextronics executes with Tenant, a Flextronics Gym & Workout Facilities Waiver, Release and Assumption of Risk Form ("Waiver") executed by each employee of Tenant who uses a Membership, and the policies, conditions, rules and regulations set forth in the Waiver or otherwise promulgated by Flextronics from time to time. Copies of the form of both the License Agreement and the Waiver shall be available upon request from Landlord's property manager. As provided in the Flextronics Lease, Landlord will pay Flextronics directly for up to 15 Memberships for use by Tenant's employees. In addition, Landlord shall cooperate with Tenant to obtain access as of the Commencement Date, without cost to Landlord, for Tenant's employees to the cafeteria currently operated by Flextronics in the Building.

XVII. LIABILITY OF LANDLORD

17.1 Indemnification. **Except to the extent caused by the gross negligence or willful misconduct of Landlord or Landlord's Agents and subject to the waiver of subrogation set forth in Section 15.5,** Tenant will neither hold nor attempt to hold Landlord, its Agents or Mortgagee liable for, and Tenant will indemnify, hold harmless and defend (with counsel reasonably acceptable to Landlord) Landlord, its Agents and Mortgagee, from and against, any and all demands, claims, causes of action, fines, penalties, damages, liabilities, judgments, and expenses (including, without limitation, reasonable attorneys' fees) incurred in connection with or arising from (i) the use or occupancy or manner of use or occupancy of the Premises or the Common Areas by Tenant or its Agents; (ii) any activity, work or thing done, permitted or suffered by Tenant or its Agents in or about the Premises or the Project; (iii) any acts, omissions or negligence of Tenant or its Agents; (iv) any breach, violation or nonperformance by Tenant or its Agents of any term, covenant or provision of this Lease or any law, ordinance or governmental requirement of any kind; and (v) any injury or damage to the person, property or business of Tenant or its Agents, including, without limitation, to vehicles (or the contents thereof) of Tenant or Tenant's Agent's that are parked in the Parking Facilities, whether incurred in connection with the removal of any vehicles of Tenant or its Agents that are parked in violation of this Lease, the Rules and Regulations or otherwise.

17.2 Waiver and Release. **Except to the extent caused by the gross negligence or willful misconduct of Landlord or Landlord's Agents,** Tenant covenants and agrees that Landlord, its Agents and Mortgagee will not at any time or to any extent whatsoever be liable, responsible or in any way accountable for any loss, injury, death or damage (including consequential damages) to persons, property or Tenant's business occasioned by (i) any act or omission of Landlord or its Agents; (ii) any acts or omissions, including theft, of or by any other tenant, occupant or visitor of the Project; (iii) any casualty, explosion, falling plaster or other masonry or glass, steam, gas, electricity, water or rain which may leak from any part of the Building or any other portion of the Project or from the pipes, appliances or plumbing works therein or from the roof, street or subsurface or from any other place, or resulting from dampness; or (iv) the parking of vehicles by Tenant or Tenant's Agents in the Parking Facilities, including, without limitation, when incurred in connection with the removal of any vehicles of Tenant or its Agents that are parked in violation of this Lease or the Rules and Regulations or otherwise. Tenant agrees to give prompt notice to Landlord upon the occurrence of any of the events set forth in this **Section 17.2** or of defects in the Premises or the Building, or in the fixtures or equipment.

17.3 Survival. The covenants, agreements and indemnification obligations under this **Article XVII** will survive the expiration or earlier termination of this Lease. Tenant's covenants, agreements and indemnification obligations are not intended to and will not relieve any insurance carrier of its obligations under policies required to be carried by Tenant pursuant to the provisions of this Lease.

XVIII. RULES AND REGULATIONS

Tenant and its Agents shall at all times abide by and observe the Rules and Regulations set forth in **Exhibit C** and any amendments thereto that may reasonably be promulgated from time to time by Landlord for the operation and maintenance of the Project and the Rules and Regulations shall be deemed to be covenants of this Lease to be performed and/or observed by Tenant. Nothing contained in this Lease shall be construed to impose upon Landlord any duty or obligation to enforce the Rules and Regulations, or the terms or provisions contained in any other lease, against any other tenant of the Project. Landlord shall not be liable to Tenant for any violation by any party of the Rules and Regulations or the terms of any other Project lease. If there is any inconsistency between this Lease (other than **Exhibit C**) and the then current Rules and Regulations, this Lease shall govern.

XIX. DAMAGE; CONDEMNATION

19.1 Damage to the Premises. If the Premises or the Building shall be damaged by fire or other casualty, Landlord shall diligently and as soon as practicable after such damage occurs (taking into account the time necessary to effect a satisfactory settlement with any insurance company involved) repair such damage at the expense of Landlord; provided, however, that Landlord's obligation to repair such damage shall not exceed the proceeds of insurance available to Landlord (reduced by any proceeds retained pursuant to the rights of Mortgagee). Notwithstanding the foregoing, if the Premises or the Building are damaged by fire or other casualty to such an extent that, in Landlord's reasonable judgment, the damage cannot be substantially repaired within 270 days after the date of such damage, or if the Premises are substantially damaged during the last Lease Year, then: (i) Landlord may terminate this Lease as of the date of such damage by written notice to Tenant; or (ii) Tenant may terminate this Lease as of the date of such damage by written notice to Landlord within 10 days after (a) Landlord's delivery of a notice that the repairs cannot be made within such 270-day period (Landlord shall use reasonable efforts to deliver to Tenant such notice within 60 days of the date of such damage or casualty); or (b) the date of damage, in the event the damage occurs during the last year of this Lease. Without limitation to the foregoing, if the Premises or the Building are damaged by fire or other casualty and Landlord's reasonable estimate of the cost to repair such damage exceeds the proceeds of insurance available to Landlord (reduced by any proceeds retained pursuant to the rights of Mortgagee) or no such proceeds are available to Landlord, then Landlord shall not be obligated to incur expenses in excess of such insurance proceeds to repair such damage and may terminate this Lease as of the date of such damage by written notice to Tenant. Rent shall be apportioned and paid to the date of such damage.

During the period that Tenant is deprived of the use of the damaged portion of the Premises, Basic Rent and Tenant's Proportionate Share shall be reduced by the ratio that the Rentable Square Footage of the Premises damaged bears to the total Rentable Square Footage of the Premises before such damage. All injury or damage to the Premises or the Project resulting from the gross negligence or willful misconduct of Tenant or its Agents shall be repaired by Landlord, at Tenant's expense, subject to the waivers in **Section 15.5**, and Rent shall not abate nor shall Tenant be entitled to terminate this Lease. Notwithstanding anything herein to the contrary, Landlord shall not be required to rebuild, replace, or repair any of the following: (i) specialized Tenant improvements as reasonably determined by Landlord; (ii) Alterations; or (iii) personal property of Tenant. Tenant, as a material inducement to Landlord entering into this Lease, irrevocably waives and releases Tenant's rights under California Civil Code Section 1932(2) and 1933(4) and agrees that in the event of any casualty, the terms of this Lease shall govern.

19.2 Condemnation. If 20% or more of the Building or 50% or more of the Land shall be taken or condemned by any governmental or quasi-governmental authority for any public or quasi-public use or purpose (including, without limitation, sale under threat of such a taking), then the Term shall

cease and terminate as of the date when title vests in such governmental or quasi-governmental authority, and Rent shall be prorated to the date when title vests in such governmental or quasi-governmental authority. If less than 20% of the Building or 50% of the Land is taken or condemned by any governmental or quasi-governmental authority for any public or quasi-public use or purpose (including, without limitation, sale under threat of such a taking), Basic Rent and Tenant's Proportionate Share shall be reduced by the ratio that the Rentable Square Footage of the portion of the Premises so taken bears to the Rentable Square Footage of the Premises before such taking, effective as of the date when title vests in such governmental or quasi-governmental authority, and this Lease shall otherwise continue in full force and effect. Tenant shall have no claim against Landlord (or otherwise) as a result of such taking, and Tenant hereby agrees to make no claim against the condemning authority for any portion of the amount that may be awarded as compensation or damages as a result of such taking; provided, however, that Tenant may, to the extent allowed by law, claim an award for moving expenses and for the taking of any of Tenant's property (other than its leasehold interest in the Premises) which does not, under the terms of this Lease, become the property of Landlord at the termination hereof, as long as such claim is separate and distinct from any claim of Landlord and does not diminish Landlord's award. Tenant hereby assigns to Landlord any right and interest it may have in any award for its leasehold interest in the Premises. This **Section 19.2** shall be Tenant's sole and exclusive remedy in the event of a taking or condemnation. Tenant hereby waives the benefit of California Code of Civil Procedure Section 1265.130.

XX. DEFAULT OF TENANT

20.1 Events of Default. Each of the following shall constitute an Event of Default: (i) Tenant fails to pay Rent within three business days after notice from Landlord; provided that no such notice shall be required if at least two such notices shall have been given during the previous 12 months; (ii) Tenant fails to observe or perform any other term, condition or covenant herein binding upon or obligating Tenant within 15 days after notice from Landlord; provided, however, that if such failure cannot be cured within said 15-day period, then such period shall be extended as reasonably necessary in order for Tenant to complete such cure provided Tenant has commenced to cure the default within the 15-day period and diligently pursues such cure to completion (notwithstanding the foregoing, if Landlord provides Tenant with notice of Tenant's failure to observe or perform any term, condition or covenant under this **Subsection (ii)** on two or more occasions during any 12 month period, then Tenant's subsequent violation of the same term, condition or covenant shall, at Landlord's option, be deemed an Event of Default immediately upon the occurrence of such failure, regardless of whether Landlord provides Tenant notice, or Tenant has commenced the cure of the same); (iii) Tenant fails to pay Rent when due and abandons or vacates the Premises or fails to take occupancy of the Premises within 90 days after the Commencement Date; (iv) Tenant fails to execute and return a subordination agreement or estoppel within the time periods provided for in **Article XXI** or **Section 24.4**; (v) Tenant or any Guarantor makes or consents to a general assignment for the benefit of creditors or a common law composition of creditors, or a receiver of the Premises for all or substantially all of Tenant's or Guarantor's assets is appointed; (vi) Tenant or Guarantor hereafter files a voluntary petition in any bankruptcy or insolvency proceeding, or an involuntary petition in any bankruptcy or insolvency proceeding is filed against Tenant or Guarantor and is not discharged by Tenant or Guarantor within 60 days; or (vii) Tenant fails to promptly after Landlord's delivery of notice remedy or discontinue any hazardous conditions which Tenant has created or permitted in violation of law or of this Lease. Any such notices required under this **Section 20.1** shall be in satisfaction of, and not in addition to, any notice required under Sections 1161(2) or (3), as the case may be, of the California Code of Civil Procedure. Any notice periods provided for under this **Section 20.1** shall run concurrently with any statutory notice periods and any notice given hereunder may be given simultaneously with or incorporated into any such statutory notice.

20.2 Landlord's Remedies. Upon the occurrence of an Event of Default, Landlord, at its option, without further notice or demand to Tenant, may, in addition to all other rights and remedies provided in this Lease, at law or in equity, elect one or more of the following remedies:

(a) Terminate this Lease, in which event Tenant shall immediately surrender possession of the Premises to Landlord, and Landlord shall have all the rights and remedies of a landlord provided by California Civil Code Section 1951.2, and in addition to any other rights and remedies Landlord may have, Landlord shall be entitled to recover from Tenant:

(i) the worth at the time of award of the unpaid 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 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 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, the costs and expenses (including attorneys' fees, whether in-house or outside counsel) of recovering possession of the Premises, expenses of reletting, including necessary repair, renovation and alteration of the Premises and brokerage commissions, and any other reasonable costs and expenses.

As used in **Sections 20.2(a)(i) and (ii)** above, the "worth at the time of award" is computed by allowing interest at the Interest Rate.

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 right to sublet or assign, subject only to reasonable limitations); provided that, Landlord acknowledges that the intent under this Lease is that "breach" in the foregoing means an Event of Default. Accordingly, Tenant acknowledges that in the event Tenant has committed an Event of Default and abandoned the Premises, this Lease may, at Landlord's election, continue in effect for so long as Landlord does not terminate Tenant's right to possession, and Landlord may enforce all its rights and remedies under this Lease, including the right to recover the Rent as it becomes due under this Lease. Without limiting the generality of California Civil Code Section 1951.4(c), acts of maintenance or preservation or efforts to relet the Premises, or the appointment of a receiver upon initiative of Landlord to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession.

(c) Even though Landlord may have re-entered the Premises as provided in clause (b) above, Landlord may thereafter elect to terminate this Lease and all of the rights of Tenant in or to the Premises.

(d) Landlord may cure the Event of Default for the account of Tenant, and in such event Tenant shall pay Landlord upon invoice as Additional Rent all costs and expenses incurred by Landlord in connection therewith, including consultants' and attorneys' fees and costs, together with an administrative charge equal to ten percent (10%) of such costs.

(e) Landlord may pursue injunctive relief, and/or recovery of damages, without terminating this Lease.

20.3 Mitigation of Damages. Notwithstanding the foregoing, to the extent Landlord is required by applicable law to mitigate damages, or is required by law to use efforts to do so, Tenant agrees that if Landlord markets the Premises in a manner substantially similar to the manner in which Landlord markets other space in the Building, then Landlord shall be deemed to have used commercially reasonable efforts to mitigate damages. Tenant shall continue to be liable for all Rent (whether accruing prior to, on or after the date of termination of this Lease or Tenant's right of possession and/or pursuant to the holdover provisions of **Section 22.2** below) and Damages, except to the extent that Tenant pleads and proves by clear and convincing evidence that Landlord fails to exercise commercially reasonable efforts to mitigate damages to the extent required under this **Section 20.3** and that Landlord's failure caused an avoidable and quantifiable increase in Landlord's damages for unpaid Rent. Without limitation to the foregoing, Landlord shall not be deemed to have failed to mitigate damages, or to have failed to use efforts required by law to do so, because: (i) Landlord leases other space in the Building which is vacant prior to re-letting the Premises; (ii) Landlord refuses to relet the Premises to any Related Entity of Tenant, or any principal of Tenant, or any Related Entity of such principal; (iii) Landlord refuses to relet the Premises to any person or entity whose creditworthiness is not acceptable to Landlord in the exercise of its reasonable discretion; (iv) Landlord refuses to relet the Premises to any person or entity because the use proposed to be made of the Premises by such prospective tenant is not general office use of a type and nature consistent with that of the other tenants in the portions of the Building leased or held for lease for general office purposes as of the date Tenant defaults under this Lease (by way of illustration, but not limitation, call center or other high-density use, government offices, consular offices, doctor's offices or medical or dental clinics or laboratories, or schools would not be uses consistent with that of other tenants in the Building), or such use would, in Landlord's reasonable judgment, impose unreasonable or excessive demands upon the Building systems, equipment or facilities; (v) Landlord refuses to relet the Premises to any person or entity, or any affiliate of such person or entity, who has been engaged in litigation with Landlord or any of its affiliates; (vi) Landlord refuses to relet the Premises because the tenant or the terms and provisions of the proposed lease are not approved by the holders of any liens or security interests in the Building, or would cause Landlord to be in default of, or to be unable to perform any of its covenants or obligations under, any agreements between Landlord and any third party; (vii) Landlord refuses to relet the Premises because the proposed tenant is unwilling to execute and deliver Landlord's standard lease form with modifications reasonably acceptable to Landlord or such tenant requires improvements to the Premises to be paid at Landlord's cost and expense; (viii) Landlord refuses to relet the Premises to a person or entity whose character or reputation, or the nature of such prospective tenant's business, would not be acceptable to Landlord in its reasonable discretion; (ix) Landlord refuses to expend any material sums of money to market the Premises in excess of the sums Landlord typically expends in connection with the marketing of other space in the Building. As used in this **Section 20.3**, an "affiliate" means a person or entity that controls, is controlled by, or is under common control with another person or entity.

20.4 No Waiver. If Landlord shall institute proceedings against Tenant and a compromise or settlement thereof shall be made, the same shall not constitute a waiver of any other covenant, condition or agreement herein contained, nor of any of Landlord's rights hereunder. No waiver by Landlord of any breach shall operate as a waiver of such covenant, condition or agreement itself, or of any subsequent breach thereof. No payment of Rent by Tenant or acceptance of Rent by Landlord shall operate as a waiver of any breach or default by Tenant under this Lease. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Rent herein stipulated shall be deemed to be other than a payment on account of the earliest unpaid Rent, nor shall any endorsement or statement on any check or communication accompanying a check for the payment of Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to

recover the balance of such Rent or to pursue any other remedy provided in this Lease. No act, omission, reletting or re-entry by Landlord, and no acceptance by Landlord of keys from Tenant, shall be considered an acceptance of a surrender of this Lease, shall be construed as an actual or constructive eviction of Tenant, or an election on the part of Landlord to terminate this Lease unless a written notice of such intention is given to Tenant by Landlord.

20.5 Late Payment. If Tenant fails to pay any Rent within five days after such Rent becomes due and payable, Tenant shall pay to Landlord without notice a late charge of five percent (5%) of the amount of such overdue Rent. Such late charge shall be deemed Rent and shall be due and payable within two days after written demand from Landlord.

20.6 Waiver of Redemption. Tenant hereby waives, for itself and all persons claiming by and under Tenant, all rights and privileges which it might have under any present or future law to redeem the Premises or to continue this Lease after being dispossessed or ejected from the Premises.

20.7 Intentionally deleted.

XXI. MORTGAGES

This Lease is subject and subordinate to all ground or underlying leases (each a "Ground Lease") and to any mortgage, deed of trust, security interest, or title retention interest now or hereafter affecting the Land, Building or Project (each a "Mortgage") and to all renewals, modifications, consolidations, replacements and extensions thereof. This subordination shall be self-operative; however, in confirmation thereof, Tenant shall, within 10 days of receipt thereof, execute any instrument that Landlord, any ground lessor under a Ground Lease ("Ground Lessor") or any holder of any note or obligation secured by a Mortgage (the "Mortgagee") may request confirming such subordination. Notwithstanding the foregoing, before any foreclosure sale under a Mortgage or termination of a Ground Lease, the Mortgagee or Ground Lessor, as applicable, shall have the right to subordinate the Mortgage or Ground Lease, as applicable, to this Lease, in which case, in the event of such foreclosure or termination, this Lease may continue in full force and effect and Tenant shall attorn to and recognize as its landlord, as applicable, the Ground Lessor or the purchaser at foreclosure of Landlord's interest under this Lease. Tenant shall, upon the request of a Mortgagee, Ground Lessor or purchaser at foreclosure, execute, acknowledge and deliver any instrument that has for its purpose and effect the subordination of any Ground Lease or the lien of any Mortgage to this Lease or Tenant's attornment to such Ground Lessor or purchaser of Landlord's interest under this Lease, as applicable; provided that such instrument contains a commercially reasonable non-disturbance agreement providing, among other things, that so long as an Event of Default does not exist under this Lease, Tenant's use and occupancy of the Premises and its rights under this Lease shall not be disturbed or affected by the termination of such Ground Lease prior to the expiration or termination of this Lease or by any foreclosure or other action (or by the delivery or acceptance of a deed or other conveyance or transfer in lieu thereof) which may be instituted or undertaken in order to enforce any right or remedy available under the Ground Lease or Mortgage.

XXII. SURRENDER; HOLDING OVER

22.1 Surrender of the Premises. Tenant shall peaceably surrender the Premises to Landlord on the Expiration Date or earlier termination of this Lease, in broom-clean condition and in as good condition as when Tenant took possession, including, without limitation, the repair of any damage to the Premises caused by the removal of any of Tenant's personal property, Alterations, or trade fixtures from the Premises, except for reasonable wear and tear and loss by fire or other casualty (as provided for in **Article XIX**). All trade fixtures, equipment, furniture, inventory, effects and Alterations left on or in the Premises or the Project after the Expiration Date or earlier termination of this Lease will be deemed

conclusively to have been abandoned and may be appropriated, removed, sold, stored, destroyed or otherwise disposed of by Landlord without notice to Tenant or any other person and without obligation to account for them; and Tenant will pay Landlord for all expenses incurred in connection with the same, including, but not limited to, the costs of repairing any damage to the Premises or the Project caused by the removal of such property. Tenant's obligation to observe and perform this covenant will survive the expiration or other termination of this Lease.

22.2 Holding Over. In the event that Tenant shall not immediately surrender the Premises to Landlord on the Expiration Date or earlier termination of this Lease, including removing all trade fixtures, equipment, furniture, inventory, effects and Alterations from the Premises, Tenant shall be deemed to be a tenant-at-will pursuant to the terms and provisions of this Lease, except the daily Basic Rent shall be 150% of the daily Basic Rent in effect on the Expiration Date or earlier termination of this Lease (computed on the basis of a 30 day month) for the first 90 days of such holdover period and, thereafter, twice the daily Basic Rent in effect on the Expiration Date or earlier termination of this Lease (computed on the basis of a 30 day month). Notwithstanding the foregoing, if Tenant shall hold over after the Expiration Date or earlier termination of this Lease, and Landlord shall desire to regain possession of the Premises, then Landlord may forthwith re-enter and take possession of the Premises without process, or by any legal process provided under applicable state law. **If Landlord is unable to deliver possession of the Premises to a new tenant, or to perform improvements for a new tenant, as a result of Tenant's holdover, Tenant shall be liable to Landlord for all damages, including, without limitation, special or consequential damages, that Landlord suffers from the holdover.**

XXIII. QUIET ENJOYMENT

Landlord covenants that if Tenant shall pay Rent and perform all of the terms and conditions of this Lease to be performed by Tenant, Tenant shall during the Term peaceably and quietly occupy and enjoy possession of the Premises without molestation or hindrance by Landlord or any party claiming through or under Landlord, subject to the provisions of this Lease, any restrictions and any Mortgage to which this Lease is subordinate.

XXIV. MISCELLANEOUS

24.1 No Representations by Landlord. Tenant acknowledges that neither Landlord nor its Agents nor any broker has made any representation or promise with respect to the Premises, the Project, the Land or the Common Area, except as herein expressly set forth, and no rights, privileges, easements or licenses are acquired by Tenant except as herein expressly set forth.

24.2 No Partnership. Nothing contained in this Lease shall be deemed or construed to create a partnership or joint venture of or between Landlord and Tenant, or to create any other relationship between Landlord and Tenant other than that of landlord and tenant.

24.3 Brokers. Landlord recognizes Broker(s) as the sole broker(s) procuring this Lease and shall pay Broker(s) a commission therefor pursuant to a separate agreement between Broker(s) and Landlord. Landlord and Tenant each represents and warrants to the other that it has dealt with no broker, agent, finder or other person other than Broker(s) relating to this Lease. **Landlord shall indemnify and hold Tenant harmless, and Tenant shall indemnify and hold Landlord harmless, from and against any and all loss, costs, damages or expenses (including, without limitation, all attorneys' fees and disbursements) by reason of any claim of liability to or from any broker or person other than Broker(s) arising from or out of any breach of the indemnitor's representation and warranty**.

24.4 Estoppel Certificate. Tenant shall, without charge, at any time and from time to time, within 10 business days after request therefor by Landlord, execute, acknowledge and deliver to Landlord a written estoppel certificate certifying, as of the date of such estoppel certificate, the following: (i) that this Lease is unmodified and in full force and effect (or if modified, that this Lease is in full force and effect as modified and setting forth such modifications); (ii) that the Term has commenced (and setting forth the Commencement Date and Expiration Date); (iii) that Tenant is presently occupying the Premises; (iv) the amounts of Basic Rent and Additional Rent currently due and payable by Tenant; (v) that any Tenant Work or Alterations required by this Lease to have been made by Landlord have been made to the satisfaction of Tenant; (vi) that there are no existing set-offs, charges, liens, claims or defenses against the enforcement of any right hereunder, including, without limitation, Basic Rent or Additional Rent (or, if alleged, specifying the same in detail); (vii) that no Basic Rent (except the first installment thereof) has been paid more than 30 days in advance of its due date; (viii) that Tenant has no knowledge of any then uncured default by Landlord of its obligations under this Lease (or, if Tenant has such knowledge, specifying the same in detail); (ix) that Tenant is not in default; (x) that the address to which notices to Tenant should be sent is as set forth in this Lease (or, if not, specifying the correct address); and (xi) any other certifications reasonably requested by Landlord. In the event Tenant fails to deliver to Landlord an estoppel certificate as required by this Section within the specified 10 business-day period, Tenant shall be conclusively presumed to have adopted and affirmed the contents of the form of estoppel certificate delivered to Tenant by Landlord, and any prospective mortgagee, purchaser, or other third-party may rely on the accuracy of such estoppel certificate as if executed and affirmed by Tenant.

24.5 Waiver of Jury Trial. To the fullest extent permitted by law, **Landlord and Tenant each waive trial by jury in connection with proceedings or counterclaims brought by either of the parties against the other with respect to any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant hereunder or Tenant's use or occupancy of the Premises.**

24.6 Notices. All notices, demands and requests which may be given or which are required to be given by either party to the other, shall be in writing and shall be deemed effective either: (i) on the date personally delivered to the address set forth in **Article I**, as evidenced by written receipt for the same, whether or not actually received by the person to whom addressed; (ii) on the third business day after being sent, by certified or registered mail, return receipt requested, postage prepaid, addressed to the intended recipient at the address specified **Article I**; (iii) on the next succeeding business day after being deposited into the custody of a nationally recognized overnight delivery service such as Federal Express, addressed to such party at the address specified **Article I**; (iv) on the date delivered by facsimile to the respective numbers specified in **Article I**, provided confirmation of facsimile is received; or (v) on the date an electronic mail message with a pdf copy of the signed notice is delivered to the e-mail addresses specified in **Article I**; *provided*, *however*, that in the case of any notice delivered in accordance with items (iv) or (v) above, any such facsimile notice or e-mail notice shall be sent by one of the other permitted methods of providing notice (other than facsimile or e-mail notice) on the next succeeding business day. Landlord and Tenant may from time to time by written notice to the other designate another address for receipt of future notices.

24.7 Invalidity of Particular Provisions. If any provisions of this Lease or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the full extent permitted by law.

24.8 Gender and Number. All terms and words used in this Lease, regardless of the number or gender in which they are used, shall be deemed to include any other number or gender as the context may require.

24.9 Benefit and Burden. Subject to the provisions of **Article X** and except as otherwise expressly provided, the provisions of this Lease shall be binding upon, and shall inure to the benefit of, the parties hereto and each of their respective representatives, heirs, successors and assigns.

24.10 Entire Agreement. This Lease (which includes the Exhibits attached hereto) contains and embodies the entire agreement of the parties hereto, and no representations, inducements or agreements, oral or otherwise, between the parties not contained in this Lease shall be of any force or effect. This Lease (other than the Rules and Regulations, which may be changed from time to time as provided herein) may not be modified, changed or terminated in whole or in part in any manner other than by an agreement in writing duly signed by Landlord and Tenant.

24.11 Authority. If Tenant signs as a corporation, limited liability company or partnership, Tenant hereby represents and warrants that Tenant is duly formed, validly existing, in good standing (with respect to a corporation or limited liability company), and qualified to do business in the state in which the Project is located, that Tenant has full power and authority to enter into this Lease and that the person executing this Lease on behalf of Tenant is authorized to execute this Lease on behalf of Tenant. Tenant further agrees that it shall provide Landlord with a secretary's certificate from the secretary of said corporation or limited liability company, if applicable, certifying as to the above in the form of **Exhibit D** attached hereto and made a part hereof, or, if Tenant is a partnership, it shall provide Landlord with a partnership authorization certifying as to the above in a form acceptable to Landlord. At the request of Landlord, Tenant shall provide to Landlord copies of Tenant's organizational documents and such incumbency certificate and minutes certified by an authorized representative of Tenant as being true, correct, and complete, as may be reasonably required to demonstrate that this Lease is binding upon and enforceable against Tenant.

24.12 Attorneys' Fees. If either Landlord or Tenant commences any legal action or proceeding against the other party (including, without limitation, litigation or arbitration) arising out of or in connection with this Lease, the Premises, or the Project (including, without limitation (a) the enforcement or interpretation of either party's rights or obligations under this Lease (whether in contract, tort, or both) or (b) the declaration of any rights or obligations under this Lease), the prevailing party shall be entitled to recover from the losing party reasonable attorneys' fees, together with any costs and expenses, incurred in any such action or proceeding, including any attorneys' fees, costs, and expenses incurred on collection and on appeal.

24.13 Interpretation. This Lease is governed by the laws of the state in which the Project is located. All references in this Lease to specific sections of California law shall be deemed to mean and refer to any amendment thereto, and to any renumbered counterpart or superseding successor thereto. Furthermore, this Lease shall not be construed against either party more or less favorably by reason of authorship or origin of language.

24.14 Limitation of Liability. **None of Landlord's shareholders, partners, members, managers, directors, officers or employees, whether disclosed or undisclosed, shall have any personal liability under any provision of this Lease. If Landlord defaults in the performance of any of its obligations hereunder or otherwise becomes liable, responsible or in any way accountable to Tenant for any loss, injury, death or damage (including consequential damages) in connection with this Lease, Tenant shall look solely to Landlord's equity, interest and rights in the Building for satisfaction of Tenant's remedies on account thereof, including, subject to the rights of any**

Mortgagee, Landlord's interest in the rents of the Building and any insurance proceeds payable to Landlord. Before filing suit for an alleged default by Landlord, Tenant shall give Landlord and any Mortgagee(s) of whom Tenant has been notified, notice and a reasonable time to cure any alleged default. Landlord or any successor owner shall have the right to transfer and assign to a third party, in whole or part, all of its rights and obligations hereunder and in the Building and Land, and in such event, all liabilities and obligations on the part of the original Landlord, or such successor owner, under this Lease occurring thereafter, shall terminate as of the day of such sale, and thereupon all such liabilities and obligations shall be binding on the new owner. In the event of such transfer or assignment, landlord shall transfer to such transferee or assignee the balance of the Security Deposit, if any, remaining after lawful deductions and, in accordance with California Civil Code Section 1950.7, after notice to Tenant, Landlord shall thereupon be relieved of all liability with respect to the Security Deposit.

24.15 Time of the Essence. Time is of the essence as to Tenant's obligations contained in this Lease.

24.16 Force Majeure. Landlord and Tenant (except with respect to the payment of Rent) shall not be chargeable with, liable for, or responsible to the other for anything or in any amount for any failure to perform or delay caused by: fire; earthquake; explosion; flood; hurricane; the elements; acts of God or the public enemy; actions, restrictions, governmental authorities (permitting or inspection), governmental regulation of the sale of materials or supplies or the transportation thereof; war; invasion; insurrection; rebellion; riots; strikes or lockouts, inability to obtain necessary materials, goods, equipment, services, utilities or labor; or any other cause whether similar or dissimilar to the foregoing which is beyond the reasonable control of such party (collectively, "Events of Force Majeure"); and any such failure or delay due to said causes or any of them shall not be deemed to be a breach of or default in the performance of this Lease.

24.17 Headings. Captions and headings are for convenience of reference only.

24.18 Memorandum of Lease. Neither Landlord nor Tenant shall record this Lease or a memorandum thereof without the written consent of the other.

24.19 Intentionally Deleted.

24.20 Financial Reports. Prior to the execution of this Lease by Tenant and thereafter within 15 days after Landlord's request, but in no event more than once per Lease Year unless an uncured Event of Default exists or such request is in connection with a sale or financing of the Project, in which event no such limitation shall apply, Tenant will furnish Tenant's and Guarantor's most recent audited financial statements (including any notes to them) to Landlord, or, if no such audited statements have been prepared, such other financial statements (and notes to them) as may have been prepared by an independent certified public accountant, or, failing those, Tenant's and Guarantor's internally prepared financial statements, certified by Tenant and Guarantor, as applicable. If requested by Tenant, Landlord shall execute a confidentiality agreement confirming that Landlord will keep confidential Tenant's confidential and proprietary financial information provided to Landlord in accordance with this **Section 24.20** in accordance with terms substantially consistent with the NDA.

24.21 Landlord's Fees. Whenever Tenant requests Landlord to take any action (other than with respect to Landlord's express obligations under the Lease) or give any consent required or permitted under this Lease, Tenant will reimburse Landlord for all of Landlord's costs incurred in reviewing the proposed action or consent, including, without limitation, attorneys', engineers' or architects' fees, within 30 days after Landlord's delivery to Tenant of a statement of such costs. Tenant will be obligated to make such reimbursement without regard to whether Landlord consents to any such proposed action.

24.22 Effectiveness. The furnishing of the form of this Lease shall not constitute an offer and this Lease shall become effective upon and only upon its execution by and delivery to each party hereto.

24.23 Light, Air or View Rights. Any diminution or shutting off of light, air or view by any structure which may be erected on lands adjacent to or in the vicinity of the Building and Project shall not affect this Lease, abate any payment owed by Tenant hereunder or otherwise impose any liability on Landlord.

24.24 Special Damages. Under no circumstances whatsoever shall Landlord ever be liable hereunder for consequential damages or special damages.

24.25 Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Lease may be executed by a party's signature transmitted by facsimile or e-mail, and copies of this Lease executed and delivered by means of faxed or e-mailed signatures shall have the same force and effect as copies hereof executed and delivered with original signatures. All parties hereto may rely upon faxed or e-mailed signatures as if such signatures were originals. All parties hereto agree that a faxed or e-mailed signature page may be introduced into evidence in any proceeding arising out of or related to this Lease as if it were an original signature page.

24.26 Nondisclosure of Lease Terms. Tenant acknowledges and agrees that the terms of this Lease are confidential and constitute proprietary information of Landlord. Disclosure of the terms could adversely affect the ability of Landlord to negotiate other leases and impair Landlord's relationship with other tenants. Accordingly, Tenant agrees that it, and its Agents shall not intentionally or voluntarily disclose the terms and conditions of this Lease to any newspaper or other publication or any other tenant or apparent prospective tenant of the Building or the Project, without the prior written consent of Landlord, provided, however, that Tenant may disclose the terms to prospective subtenants or assignees under this Lease.

24.27 Joint and Several Obligations. If more than one person or entity executes this Lease as Tenant, their execution of this Lease will constitute their covenant and agreement that: (i) each of them is jointly and severally liable for the keeping, observing and performing of all of the terms, covenants, conditions, provisions and agreements of this Lease to be kept, observed and performed by Tenant; and (ii) the term "Tenant" as used in this Lease means and includes each of them jointly and severally. The act of or notice from, or the signature of any one or more of them, with respect to the tenancy of this Lease, including, but not limited to the exercise of any options hereunder, will be binding upon each and all of the persons executing this Lease as Tenant with the same force and effect as if each and all of them had so acted.

24.28 Anti-Terrorism. Tenant represents and warrants to and covenants with Landlord that (i) neither Tenant nor any of its owners or affiliates currently are, or shall be at any time during the term hereof, in violation of any laws relating to terrorism or money laundering (collectively, the "Anti-Terrorism Laws"), including without limitation Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and regulations of the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) related to Specially Designated Nationals and Blocked Persons (SDN's OFAC Regulations), and/or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56) (the "USA Patriot Act"); (ii) neither Tenant nor any of its owners, affiliates, investors, officers, directors, employees, vendors, subcontractors or agents is or shall be during the term hereof a "Prohibited Person" which is defined as follows: (1) a person or entity owned or controlled by, affiliated with, or acting for or on behalf of, any person or entity

that is identified as an SDN on the then-most current list published by OFAC at its official website, http://www.treas.gov/offices/eotffc/ofac/sdn/t11sdn.pdf, or at any replacement website or other replacement official publication of such list, and (2) a person or entity who is identified as or affiliated with a person or entity designated as a terrorist, or associated with terrorism or money laundering pursuant to regulations promulgated in connection with the USA Patriot Act; and (iii) Tenant has taken appropriate steps to understand its legal obligations under the Anti-Terrorism Laws and has implemented appropriate procedures to assure its continued compliance with such laws. Tenant hereby agrees to defend, indemnify, and hold harmless Landlord, it officers, directors, agents and employees, from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing representations, warranties and covenants. At any time and from time-to-time during the term, Tenant shall deliver to Landlord within 10 days after receipt of a written request therefor, a written certification or such other evidence reasonably acceptable to Landlord evidencing and confirming Tenant's compliance with this paragraph.

24.29 Green Initiatives. The parties agree it is in their mutual best interest that the Building and Premises be operated and maintained in a manner that is environmentally responsible, fiscally prudent, and provides a safe and productive work environment. Accordingly, Tenant shall endeavor to conduct its operations in the Building and within the Premises to: (1) minimize to the extent reasonably feasible: (i) direct and indirect energy consumption and greenhouse gas emissions; (ii) water consumption; (iii) the amount of material entering the waste stream; and (iv) negative impacts upon the indoor air quality of the Building; and (2) permit the Building to achieve and maintain its LEED rating and an Energy Star label, to the extent applicable. Landlord shall endeavor to operate and maintain the Common Area to: minimize to the extent reasonably feasible: (i) direct and indirect energy consumption and greenhouse gas emissions; (ii) water consumption; (iii) the amount of material entering the waste stream; and (iv) negative impacts upon the indoor air quality of the Building. In addition, if requested by Landlord or a governmental entity having jurisdiction over the Premises, Tenant shall report to Landlord and such requesting entity the Tenant's utility usage and such other related information as may be requested within the time required by the governmental entity or such other reasonable time frame as may be requested by Landlord or, at Landlord's option, provide any written authorization or other documentation required for Landlord to request information regarding Tenant's utility usage with respect to the Premises directly from the applicable utility company.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the Date of Lease.

TENANT:

ZSCALER, INC.,
a Delaware corporation

By: /s/ Remo Canessa
Name: Remo Canessa
Title: CFO

Date: June 9, 2017

[LANDLORD SIGNATURE ON FOLLOWING PAGE]

LANDLORD:

US ER AMERICA CENTER 2, LLC,
a California limited liability company

By: US ER America Center 1 & 2 JV, LLC,
a Delaware limited liability company, its sole member

By: USAA Eagle Real Estate Multi-Sector Operating Partnership, LP,
a Delaware limited partnership, its managing member

By: USAA Eagle Real Estate REIT, LLC,
a Delaware limited liability company, its general partner

By: USAA Eagle Real Estate Feeder 1, LP,
a Delaware limited partnership, its manager

By: USAA Eagle Real Estate GP, LLC,
a Delaware limited liability company, its general partner

By: USAA Equity Advisors, LLC,
a Texas limited liability company, its sole member

By: USAA Real Estate Company,
a Delaware corporation, its sole member

By: /s/ Stanley R. Alterman
Name: Stanley R. Alterman
Title: Executive Managing Director

By: USAA Eagle Real Estate Feeder 3, LP,
a Delaware limited partnership, its general partner

By: USAA Eagle Real Estate GP, LLC,
a Delaware limited liability company, its general partner

By: USAA Equity Advisors, LLC,
a Texas limited liability company, its sole member

By: USAA Real Estate Company,
a Delaware corporation, its sole member

By: /s/ Stanley R. Alterman
Name: Stanley R. Alterman
Title: Executive Managing Director

Date: 6-13-2017

EXHIBIT A

PLAN SHOWING PREMISES

EXHIBIT A
6201 AMERICA CENTER DRIVE SUITE 240
SAN JOSE, CA

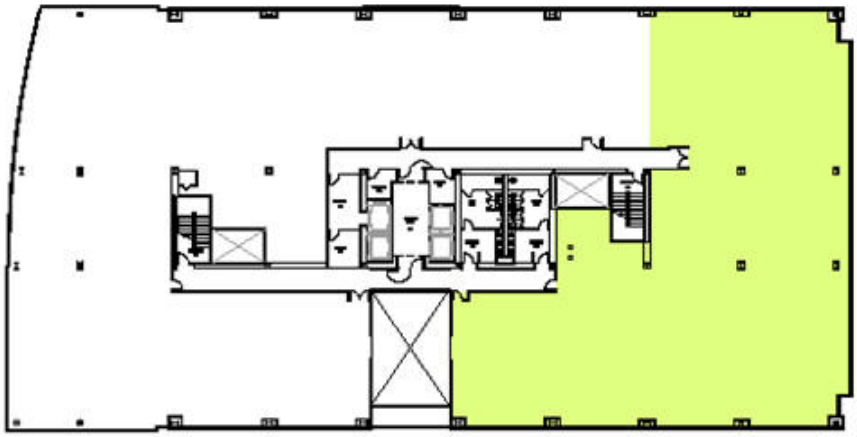


EXHIBIT A-1

PROJECT SITE PLAN

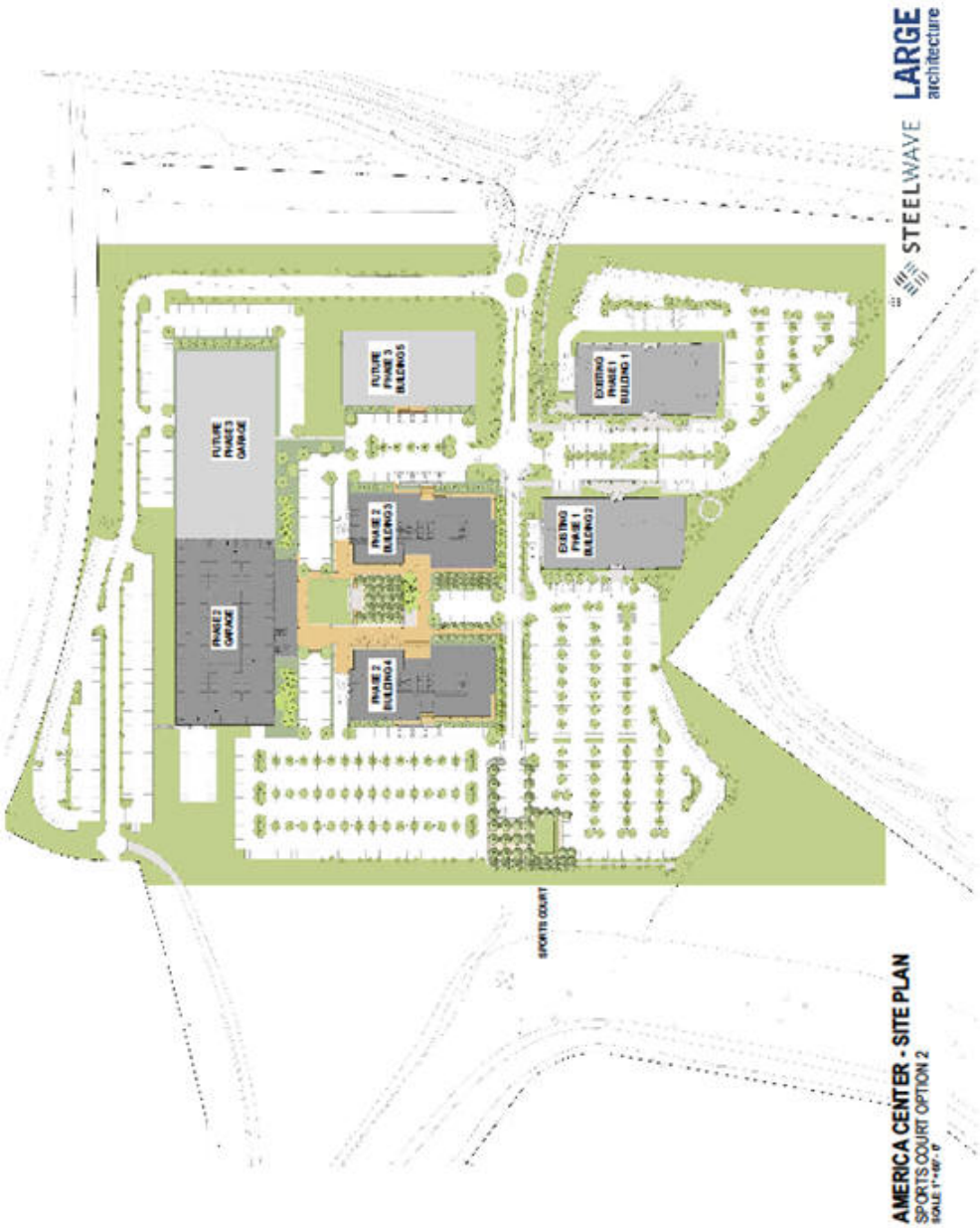


EXHIBIT A-2

LEGAL DESCRIPTION OF LAND

Real property in the City of San Jose, County of Santa Clara, State of California, described as follows:

LOT ONE: (FEE SIMPLE)
ALL OF LOT ONE, AS SHOWN ON THAT CERTAIN MAP ENTITLED “TRACT NO. 10003 AMERICA CENTER”, WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA ON DECEMBER 22, 2008, IN BOOK 829 OF MAPS AT PAGES 39 TO 45, INCLUSIVE.

IN ADDITION THERETO, THE FOLLOWING AREA:

BEGINNING AT THE COMMON CORNER OF SAID LOT ONE AND LOT FOUR OF SAID TRACT MAP, WHICH CORNER IS THE EASTERLY TERMINUS OF THE COURSE AND DISTANCE SHOWN AS “SOUTH 53°29'51" WEST, 243.20 FEET.”

THENCE LEAVING SAID POINT OF BEGINNING THE FOLLOWING FIVE (5) COURSES AND DISTANCES:

1. EASTERLY ALONG THE PROLONGATION OF SAID LINE, NORTH 53° 29' 51" EAST, 60.00 FEET;

2. SOUTH 36° 30' 09" EAST, 135.50 FEET;

3. NORTH 53° 29' 51" EAST, 63.00 FEET;

4. SOUTH 36°30'09" EAST, 125.26 FEET;

5. SOUTH 53° 29' 51" WEST, 123.00 FEET TO THE COMMON LINE OF SAID LOT ONE AND SAID LOT FOUR;

THENCE NORTHERLY ALONG SAID COMMON LINE, NORTH 36° 30' 09" WEST, 260.76 FEET TO THE POINT OF BEGINNING.

ALSO SHOWN AS PARCEL A ON THE LOT LINE ADJUSTMENT PERMIT, FILE NO. AT12-006, WHICH IS ATTACHED AS EXHIBIT B TO THE GRANT DEED RECORDED ON APRIL 30, 2012 AS INSTRUMENT NO. 21644400 OF OFFICIAL RECORDS OF SANTA CLARA COUNTY.

EXCEPTING THEREFROM ALL RIGHTS FOR WATER SUPPLY PURPOSES AND TO PUMP, TAKE OR OTHERWISE EXTRACT WATER FROM ANY SOURCES INCLUDING, BUT NOT LIMITED TO, THE UNDERGROUND BASIN OR ANY UNDERGROUND STRATA, PROVIDED, HOWEVER THAT NOTHING CONTAINED IN SAID INSTRUMENT SHALL BE DEEMED TO AUTHORIZE GRANTEE TO PUMP, TAKE OR OTHERWISE EXTRACT WATER THROUGH THE SURFACE OF THE REAL PROPERTY, AS DESCRIBED IN THAT QUITCLAIM DEED AND AUTHORIZATION FROM LEGACY III AMERICA CENTER I, LLC, A DELAWARE LIMITED LIABILITY COMPANY TO THE CITY OF SAN JOSE, A MUNICIPAL CORPORATION OF THE STATE OF CALIFORNIA, RECORDED MARCH 13, 2009 AS INSTRUMENT NO. 20169095 OF OFFICIAL RECORDS.

LOT 2: (FEE SIMPLE)
ALL OF LOT TWO, AS SHOWN ON THAT CERTAIN MAP ENTITLED “TRACT NO. 10003 AMERICA CENTER”, WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA ON DECEMBER 22, 2008, IN BOOK 829 OF MAPS AT PAGES 39 TO 45, INCLUSIVE.

EXCEPTING THEREFROM, THE FOLLOWING AREA:

BEGINNING AT THE COMMON CORNER OF SAID LOT TWO AND LOT THREE OF SAID TRACT MAP, WHICH CORNER IS THE NORTHERLY TERMINUS OF THE COURSE AND DISTANCE SHOWN AS “NORTH 36°30'09" WEST, 220.91 FEET.”

THENCE LEAVING SAID POINT OF BEGINNING THE FOLLOWING FOUR (4) COURSES AND DISTANCES:

1. NORTHERLY ALONG THE PROLONGATION OF SAID LINE, NORTH 36°30'09" WEST, 30.75 FEET;

2. NORTH 53°29'51" EAST, 270.00 FEET;

3. NORTH 36°30'09" WEST. 53.25 FEET;

4. NORTH 53°29'51" EAST, 60.00 FEET TO THE COMMON LINE OF SAID LOT TWO AND LOT THREE;

THENCE ALONG SAID COMMON LINE THE FOLLOWING TWO (2) COURSES AND DISTANCES:

1. SOUTH 36°30'09" EAST, 84.00 FEET;

2. SOUTH 53°29'51" WEST, 330.00 FEET TO THE POINT OF BEGINNING.

ALSO SHOWN AS PARCEL D ON THE LOT LINE ADJUSTMENT PERMIT, FILE NO. AT12-006, WHICH IS ATTACHED AS EXHIBIT B TO THE GRANT DEED RECORDED ON APRIL 30, 2012 AS INSTRUMENT NO. 21644400 OF OFFICIAL RECORDS OF SANTA CLARA COUNTY.

EXCEPTING THEREFROM ALL RIGHTS FOR WATER SUPPLY PURPOSES AND TO PUMP, TAKE OR OTHERWISE EXTRACT WATER FROM ANY SOURCES INCLUDING, BUT NOT LIMITED TO, THE UNDERGROUND BASIN OR ANY UNDERGROUND STRATA, PROVIDED, HOWEVER THAT NOTHING CONTAINED IN SAID INSTRUMENT SHALL BE DEEMED TO AUTHORIZE GRANTEE TO PUMP, TAKE OR OTHERWISE EXTRACT WATER THROUGH THE SURFACE OF THE REAL PROPERTY, AS DESCRIBED IN THAT QUITCLAIM DEED AND AUTHORIZATION FROM LEGACY III AMERICA CENTER I, LLC, A DELAWARE LIMITED LIABILITY COMPANY TO THE CITY OF SAN JOSE, A MUNICIPAL CORPORATION OF THE STATE OF CALIFORNIA, RECORDED MARCH 13, 2009 AS INSTRUMENT NO. 20169095 OF OFFICIAL RECORDS.

LOT THREE: (FEE SIMPLE)
ALL OF LOT THREE, AS SHOWN ON THAT CERTAIN MAP ENTITLED “TRACT NO. 10003 AMERICA CENTER”, WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA ON DECEMBER 22, 2008, IN BOOK 829 OF MAPS AT PAGES 39 TO 45, INCLUSIVE.

IN ADDITION THERETO, THE FOLLOWING AREA:

BEGINNING AT THE COMMON CORNER OF LOT TWO AND SAID LOT THREE OF SAID TRACT MAP, WHICH CORNER IS THE NORTHERLY TERMINUS OF THE COURSE AND DISTANCE SHOWN AS “NORTH 36° 30' 09" WEST, 220.91 FEET.”

THENCE LEAVING SAID POINT OF BEGINNING THE FOLLOWING FOUR (4) COURSES AND DISTANCES:

1. NORTHERLY ALONG THE PROLONGATION OF SAID LINE, NORTH 36°30' 09" WEST, 30.75 FEET;

2. NORTH 53° 29' 51" EAST, 270.00 FEET;

3. NORTH 36° 30' 09" WEST, 53.25 FEET;

4. NORTH 53° 29' 51" EAST, 60.00 FEET TO THE COMMON LINE OF SAID LOT TWO AND LOT THREE;

THENCE ALONG SAID COMMON LINE THE FOLLOWING TWO (2) COURSES AND DISTANCES:

1. SOUTH 36° 30' 09" EAST, 84.00 FEET;

2. SOUTH 53° 29' 51" WEST, 330.00 FEET TO THE POINT OF BEGINNING.

ALSO SHOWN AS PARCEL C ON THE LOT LINE ADJUSTMENT PERMIT, FILE NO. AT12-006, WHICH IS ATTACHED AS EXHIBIT B TO THE GRANT DEED RECORDED ON APRIL 30, 2012 AS INSTRUMENT NO. 21644398 OF OFFICIAL RECORDS OF SANTA CLARA COUNTY.

EXCEPTING THEREFROM ALL RIGHTS FOR WATER SUPPLY PURPOSES AND TO PUMP, TAKE OR OTHERWISE EXTRACT WATER FROM ANY SOURCES INCLUDING, BUT NOT LIMITED TO, THE UNDERGROUND BASIN OR ANY UNDERGROUND STRATA, PROVIDED, HOWEVER THAT NOTHING CONTAINED IN SAID INSTRUMENT SHALL BE DEEMED TO AUTHORIZE GRANTEE TO PUMP, TAKE OR OTHERWISE EXTRACT WATER THROUGH THE SURFACE OF THE REAL PROPERTY, AS DESCRIBED IN THAT QUITCLAIM DEED AND AUTHORIZATION FROM LEGACY III AMERICA CENTER II, LLC, A DELAWARE LIMITED LIABILITY COMPANY TO THE CITY OF SAN JOSE, A MUNICIPAL CORPORATION OF THE STATE OF CALIFORNIA, RECORDED MARCH 06, 2009 AS DOCUMENT NO. 20159266 OF OFFICIAL RECORDS.

LOT FOUR: (FEE SIMPLE)
ALL OF LOT FOUR, AS SHOWN ON THAT CERTAIN MAP ENTITLED “TRACT NO. 10003 AMERICA CENTER”, WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE

COUNTY OF SANTA CLARA, STATE OF CALIFORNIA ON DECEMBER 22, 2008, IN BOOK 829 OF MAPS AT PAGES 39 TO 45, INCLUSIVE. EXCEPTING THEREFROM, THE FOLLOWING AREA:

BEGINNING AT THE COMMON CORNER OF SAID LOT ONE AND LOT FOUR OF SAID TRACT MAP, WHICH CORNER IS THE EASTERLY TERMINUS OF THE COURSE AND DISTANCE SHOWN AS “SOUTH 53°29'51" WEST, 243.20 FEET.”

THENCE LEAVING SAID POINT OF BEGINNING THE FOLLOWING FIVE (5) COURSES AND DISTANCES:

1. EASTERLY ALONG THE PROLONGATION OF SAID LINE, NORTH 53°29'51" EAST, 60.00 FEET;

2. SOUTH 36°30'09" EAST, 135.50 FEET;

3. NORTH 53°29'51" EAST, 63.00 FEET;

4. SOUTH 36°30'09" EAST, 125.26 FEET;

5. SOUTH 53°29'51" WEST, 123.00 FEET TO THE COMMON LINE OF SAID LOT ONE AND SAID LOT FOUR;

THENCE NORTHERLY ALONG SAID COMMON LINE, NORTH 36°30'09" WEST, 260.76 FEET TO THE POINT OF BEGINNING.

ALSO SHOWN AS PARCEL B ON THE LOT LINE ADJUSTMENT PERMIT, FILE NO. AT12-006, WHICH IS ATTACHED AS EXHIBIT B TO THE GRANT DEED RECORDED ON APRIL 30, 2012 AS INSTRUMENT NO. 21644398 OF OFFICIAL RECORDS OF SANTA CLARA COUNTY.

EXCEPTING THEREFROM ALL RIGHTS FOR WATER SUPPLY PURPOSES AND TO PUMP, TAKE OR OTHERWISE EXTRACT WATER FROM ANY SOURCES INCLUDING, BUT NOT LIMITED TO, THE UNDERGROUND BASIN OR ANY UNDERGROUND STRATA, PROVIDED, HOWEVER THAT NOTHING CONTAINED IN SAID INSTRUMENT SHALL BE DEEMED TO AUTHORIZE GRANTEE TO PUMP, TAKE OR OTHERWISE EXTRACT WATER THROUGH THE SURFACE OF THE REAL PROPERTY, AS DESCRIBED IN THAT QUITCLAIM DEED AND AUTHORIZATION FROM LEGACY III AMERICA CENTER II, LLC, A DELAWARE LIMITED LIABILITY COMPANY TO THE CITY OF SAN JOSE, A MUNICIPAL CORPORATION OF THE STATE OF CALIFORNIA, RECORDED MARCH 6, 2009 AS DOCUMENT NO. 20159266 OF OFFICIAL RECORDS.

EASEMENT ESTATES:

PARCEL ONE-A:

A NON-EXCLUSIVE APPURTENANT EASEMENT FOR THE PURPOSES OF PUBLIC AND PRIVATE UTILITIES, AS CONVEYED BY GRANT OF EASEMENT FROM EXTENDED STAY CA, INC., A DELAWARE CORPORATION, RECORDED AUGUST 21, 2001 AS INSTRUMENT NO. 15835965 OF OFFICIAL RECORDS.

PARCEL ONE-B:

A NON-EXCLUSIVE APPURTENANT EASEMENT FOR A PEDESTRIAN SIDEWALK AND BICYCLE WAY, AS RESERVED BY WCSJ LLC, A DELAWARE LIMITED LIABILITY COMPANY IN THAT CERTAIN GRANT DEED RECORDED MAY 21, 2003 AS INSTRUMENT NO. 17056610 OF OFFICIAL RECORDS.

PARCEL ONE-C:

A NON-EXCLUSIVE APPURTENANT EASEMENT FOR THE PURPOSES OF PUBLIC AND PRIVATE UTILITIES, AS CONVEYED BY GRANT DEED OF EASEMENT FROM LINCOLN 237 ASSOCIATES LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP, RECORDED DECEMBER 10, 2003 AS INSTRUMENT NO. 17520865 OF OFFICIAL RECORDS.

PARCEL ONE-D:

A NON-EXCLUSIVE APPURTENANT EASEMENT FOR THE PURPOSES OF STORM WATER DRAINAGE, AS CONVEYED BY GRANT DEED OF EASEMENT FROM LINCOLN 237 ASSOCIATES LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP, AND UPON THE TERMS CONTAINED THEREIN, RECORDED DECEMBER 10, 2003 AS INSTRUMENT NO. 17520866 OF OFFICIAL RECORDS.

SAID EASEMENT HAS BEEN MODIFIED BY DOCUMENT ENTITLED “FIRST AMENDMENT TO GRANT DEED OF EASEMENT”, RECORDED DECEMBER 01, 2004 AS INSTRUMENT NO. 18122284 OF OFFICIAL RECORDS.

PARCEL ONE-E:

A PERPETUAL NON-EXCLUSIVE APPURTENANT EASEMENT FOR THE PURPOSES OF EMERGENCY ACCESS TO AND EGRESS TO GOLD STREET, INSTALLATION OF UTILITIES, AND INSTALLATION AND MAINTENANCE OF UTILITY FACILITIES, AS SET FORTH IN THAT CERTAIN DOCUMENT ENTITLED “RECIPROCAL EASEMENT AND MAINTENANCE AGREEMENT AND COVENANT TO PERFORM OBLIGATIONS”, RECORDED MAY 21, 2003 AS INSTRUMENT NO. 17056611 OF OFFICIAL RECORDS, AS AMENDED BY DOCUMENTS RECORDED DECEMBER 1, 2004 AS INSTRUMENT NO. 18122282 OF OFFICIAL RECORDS AND OCTOBER 31, 2006 AS INSTRUMENT NO. 19163509 OF OFFICIAL RECORDS.

PARCEL ONE-F:

EASEMENTS NOT ON LOT ONE, TWO, THREE OR FOUR AS CONVEYED BY AND DESCRIBED IN THAT CERTAIN DECLARATION AND AGREEMENT OF COVENANTS AND RESTRICTIONS OF AMERICA CENTER RECORDED DECEMBER 22, 2008, AS INSTRUMENT NO. 20074383 OF OFFICIAL RECORDS OF SANTA CLARA COUNTY.

PARCEL ONE-G:

A NON-EXCLUSIVE EASEMENT FOR PURPOSES OF VEHICULAR AND PEDESTRIAN INGRESS AND EGRESS, AS CONVEYED BY AND DESCRIBED IN THAT CERTAIN COMMON PRIVATE ROADWAY EASEMENT AGREEMENT RECORDED DECEMBER 22, 2008, AS INSTRUMENT NO. 20074384 OF OFFICIAL RECORDS OF SANTA CLARA COUNTY.

AS TO LOTS ONE AND FOUR ONLY, PARCEL ONE-H:

A NON-EXCLUSIVE EASEMENT FOR PURPOSES OF VEHICULAR AND PEDESTRIAN INGRESS AND EGRESS, AS CONVEYED BY AND DESCRIBED IN THAT CERTAIN “AMENDED AND RESTATED INGRESS/EGRESS EASEMENT AGREEMENT” RECORDED MAY 31, 2012, AS INSTRUMENT NO. 21690173 OF OFFICIAL RECORDS OF SANTA CLARA COUNTY.

PARCEL ONE-I:

ALL EASEMENTS NOT ON LOT ONE, TWO, THREE OR FOUR AS SHOWN ON THAT CERTAIN MAP ENTITLED “TRACT MAP NO. 10003 AMERICA CENTER” WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA ON DECEMBER 22, 2008 IN BOOK 829 OF MAPS AT PAGES 39 TO 45, INCLUSIVE FOR EMERGENCY ACCESS, PRIVATE INGRESS AND EGRESS, PRIVATE STORM DRAINAGE, PRIVATE UTILITY, PRIVATE WATER LINE, AND PRIVATE STREETS SHOWN AS AMERICA CENTER COURT AND AMERICA CENTER DRIVE.

PARCEL ONE-J:

A NON-EXCLUSIVE APPURTENANT EASEMENT FOR INGRESS, EGRESS AND UTILITIES (BOTH PUBLIC AND PRIVATE) AS CONVEYED AND DESCRIBED AS PARCEL SIX IN THE GRANT DEED FROM CARGILL, INCORPORATED, A DELAWARE CORPORATION AND CARGILL, AS SUCCESSOR BY MERGER TO LESLIE SALT CO. TO WCSJ LLC, A DELAWARE LIMITED LIABILITY COMPANY, RECORDED OCTOBER 11, 2008 AS INSTRUMENT NO. 15419129 OF OFFICIAL RECORDS.

AS TO LOTS TWO AND THREE ONLY, PARCEL ONE-K:

A NON-EXCLUSIVE APPURTENANT EASEMENT FOR PEDESTRIAN AND VEHICULAR INGRESS AND EGRESS, AS SET FORTH IN THAT CERTAIN RECIPROCAL INGRESS/EGRESS EASEMENT AGREEMENT RECORDED MAY 31, 2012 AS INSTRUMENT NO. 21690174 OF OFFICIAL RECORDS.

AS TO LOT FOUR ONLY, PARCEL ONE-L:

A NON-EXCLUSIVE EASEMENT FOR PARKING, TOGETHER WITH RIGHTS OF INGRESS AND EGRESS THERETO, OVER THAT PORTION OF LOT THREE OF SAID TRACT 10003 AS CONTAINED IN THAT CERTAIN DOCUMENT ENTITLED, “COVENANT OF EASEMENT”, RECORDED DECEMBER 22, 2008 AS INSTRUMENT NO. 20074386 OF OFFICIAL RECORDS.

EXHIBIT B-1

WORK AGREEMENT

(TURNKEY W/APPROVED PRICING PLAN)

This Work Agreement is attached to and made a part of that certain Office Lease executed concurrently herewith (the "***Lease***"), by and between US ER AMERICA CENTER 2, LLC, a California limited liability company ("***Landlord***"), and ZSCALER, INC., a Delaware corporation ("***Tenant***"), covering certain Premises described in the Lease. The terms used in this Work Agreement that are defined in the Lease shall have the same meanings as provided in the Lease.

1. General.

1.1 Tenant Work. Landlord shall, at Landlord's sole cost and expense (except as otherwise provided in **Paragraphs 1.4(a)** and **2**), furnish and install those improvements, including, without limitation, (a) one two-ton dedicated HVAC unit and appropriate power distribution for a two-rack server room, (b) up to eight (8) walls of accent paint, (c) new double glass doors at the entry to the Premises, and (d) appropriate power distribution for Tenant's use based upon the determined furniture configuration, all as reflected on the space plan and finish schedule (collectively, the "***Pricing Plan***") referred to in **Exhibit B-2** attached hereto and made a part hereof (the "***Tenant Work***"); provided that the Tenant Work does not include any of the Tenant's fixtures, equipment, furniture, furnishings, Cabling, telephone and data equipment or other personal property. The Tenant Work shall be constructed pursuant to this Work Agreement, paid for by Landlord (except as otherwise provided in **Paragraph 2**) and shall be performed only by Landlord's contractor. All Tenant Work shall become the property of Landlord upon expiration or earlier termination of the Lease and shall remain on the Premises at all times during the Term of the Lease.

1.2 Approved Pricing Plan; Construction Drawings and Specifications. Landlord and Tenant have approved the Pricing Plan for the construction of the Tenant Work, including the items identified as "***Tenant Alternates***" on the Pricing Plan. The "***Construction Drawings and Specifications***" as used herein shall mean the construction working drawings, the mechanical, electrical and other technical specifications, and the finishing details, including wall finishes and colors and technical and mechanical equipment installation, if any, all of which details the installation of the Tenant Work and must conform to Landlord's Building standard specifications attached as Exhibit B-3 ("***Specifications***") unless Landlord approves deviations from such Specifications in Landlord's sole discretion. All Construction Drawings and Specifications for the Tenant Work shall be subject to Landlord's and Tenant's prior written approval, which shall not be unreasonably withheld, except that Landlord shall have complete discretion with regard to granting or withholding approval of Construction Drawings and Specifications to the extent they (i) deviate in any material respect from the Pricing Plan or the Specifications, (ii) impact the Building's structure or systems or affect future marketability of the Building or (iii) would be visible from the exterior of the Building or any Common Area within the Building. Any changes, additions or modifications that Tenant desires to make to the Pricing Plan or Construction Drawings and Specifications also shall be subject to Landlord's prior written approval, which shall not be unreasonably withheld except as provided above for deviation from the Pricing Plan or Specifications or for the Building structure, system, marketability or appearance impact. Landlord's approval of the Construction Drawings and Specifications is its own purposes only and Tenant is solely responsible for evaluating the Construction Drawings and Specifications and the Tenant Work required thereby are adequate to fully meet the requirements of Tenant's use of the Premises.

1.3 Construction Representatives. Landlord hereby appoints and Tenant hereby approves Kellie St. Clair as Landlord's Representative ("***Landlord's Representative***") to act for Landlord in all matters covered by this Work Agreement. Tenant hereby appoints and Landlord hereby approves Greg Pappas as Tenant's Representative ("***Tenant's Representative***") to act for Tenant in all matters covered by this Work Agreement. All inquiries, requests, instructions, authorizations and other communications with respect to the matters covered by this Work Agreement shall be made to Landlord's Representative or Tenant's Representative as the case may be. Authorization made by Tenant's Representative shall be binding and Tenant shall be responsible for all costs authorized by Tenant's Representative. Either party may change its Representative under this Work Agreement at any time by written notice to the other party. Landlord shall not be obligated to respond to or act upon any plan, drawing, change order or approval or other matter relating to the Tenant Work until it has been executed by Tenant's Representative. Except as otherwise provided in this Work Agreement, within three (3) business days of receipt of any requested approval of any item, document or other matter related to the Tenant Work, including, without limitation, approval of the Construction Drawings and Specifications, Tenant's Representative shall approve or disapprove (with sufficient detail) any such request.

1.4 Cost Estimate. Prior to the commencement of construction of the Tenant Work, Landlord shall obtain a written estimate of the Cost of the Tenant Work for all Tenant Work required by the Construction Drawings and Specifications, including, without limitation the Tenant Alternates. Landlord shall either approve the estimate or disapprove specific items and submit to Tenant, for approval, revisions to the Construction Drawings and Specifications which reflect the deletion or substitution of such disapproved items. Upon Landlord's approval of said estimate, such approved estimate will be hereinafter known as the "*Cost Estimate*". Landlord shall then have the right to purchase special installations requiring extended material delivery lead items as set forth on the Construction Drawings and Specifications and to commence the construction of the items included in said Cost Estimate.

(a) Tenant Alternates. If Tenant approves any of the Tenant Alternates as part of the Tenant Work required by the Construction Drawings and Specifications, then within 10 days after Landlord's approval of the Cost Estimate and delivery of an invoice, Tenant shall pay to Landlord the portion of the Cost of the Tenant Work ("***Alternates Cost***") attributable to such Tenant Alternates in the Cost Estimate. Until Tenant pays the Alternates Cost, Landlord shall be under no obligation to construct the Tenant Work.

(b) Cost of the Tenant Work. "***Cost of the Tenant Work***" means: (i) architectural and engineering fees incurred in connection with the preparation of the Space Plan and Construction Drawings and Specifications; (ii) governmental agency plan check, permit and other fees (including any changes required by any governmental entity or authority having jurisdiction thereof); (iii) sales and use taxes; (iv) insurance fees associated with the construction of the Tenant Work; (v) testing and inspecting costs; (vi) the actual costs and charges for material and labor, contractor's profit and contractor's general overhead incurred by Landlord in constructing the Tenant Work, including Landlord's overhead and administrative fee, which shall be included in the Cost of the Tenant Work as five percent (5%) of the Cost of the Tenant Work (exclusive of such fee); and (vii) all other costs to be expended by Landlord in the construction of the Tenant Work.

2. Change Orders. If Tenant desires any change or addition to the work or materials to be provided by Landlord pursuant to this Work Agreement after Tenant's and Landlord's approval of the Pricing Plan, Tenant shall provide Landlord with a request for a "***Proposal for Change***". Landlord shall respond to Tenant's Proposal for Change with a change quotation, including the scope of the work, the cost, and the delay in Substantial Completion, if any, as soon as possible, but in no event later than five (5) business days after such request is made. If Tenant approves such change quotation, Landlord shall

issue a "***Change Order***". All additional expenses attributable to any Change Order requested by Tenant and approved by Landlord shall be payable along with a five percent (5%) overhead and administration fee to Landlord by Tenant upon approval by Tenant of the Change Order cost and/or delay, if any.

3. Construction of Tenant Work. Following Landlord's approval of the Cost Estimate and Tenant's approval of any revisions to the Construction Drawings and Specifications pursuant to **Paragraph 1.4**, Landlord's contractor shall commence and diligently proceed with the construction of all of the Tenant Work, subject to delays beyond the reasonable control of Landlord or its contractor. Promptly upon the commencement of the Tenant Work, Landlord shall furnish Tenant with a construction schedule setting forth the projected completion dates therefor and showing the deadlines for any actions required to be taken by Tenant during such construction, and Landlord may from time to time during the prosecution of the Tenant Work modify or amend such schedule due to unforeseeable delays encountered by Landlord. Landlord shall make reasonable diligent efforts to meet such schedule as the same may be modified or amended.

4. Substantial Completion.

4.1 General. Subject to the timely (i) finalization of Construction Drawings and Specifications, (ii) receipt of a building permit and other necessary governmental approvals and provided that Tenant delivers the executed Lease, together with the Security Deposit and the installment of Rent due pursuant to **Section 4.1** of the Lease, on or before May 25, 2017, and (iii) Tenant's payment of the Alternates Costs, Landlord shall use commercially reasonable efforts to Substantially Complete (as defined in **Paragraph 4.2**) the Tenant Work in accordance with the terms of this Work Agreement by October 1, 2017 ("***Substantial Completion Deadline***"), but neither the validity of this Lease nor the obligations of Tenant under this Lease shall be affected by a failure to Substantially Complete the Tenant Work by the Substantial Completion Deadline, and Tenant shall have no claim against Landlord because of Landlord's failure to Substantially Complete the Tenant Work by the Substantial Completion Deadline, except as expressly provided in this **Paragraph 4.1**. Notwithstanding the foregoing, if Landlord does not Substantially Complete the Tenant Work on or before the Substantial Completion Deadline, plus any days of delay attributable to a Tenant Delay or an Event of Force Majeure, then Tenant will be entitled to delay the Commencement Date one day for each day of delay beyond the Substantial Completion Deadline that is not attributable to a Tenant Delay or an Event of Force Majeure). Notwithstanding the foregoing, if Substantial Completion and delivery of the Premises to Tenant has not occurred by January 1, 2018, plus any days of delay attributable to a Tenant Delay or an Event of Force Majeure, Tenant shall have the right to terminate the Lease upon ten (10) days prior written notice to Landlord. If Landlord does not then deliver the Premises with the Tenant Work Substantially Completed within such 10-day period, plus any days of delay attributable to a Tenant Delay or an Event of Force Majeure, then the Lease will terminate automatically upon the conclusion of such period. In the event of such termination, Landlord shall return to Tenant the Letter of Credit and any Rent paid by Tenant in advance and the parties shall be released from all liabilities and obligations under this Lease, excepting only those liabilities and obligations that survive termination.

4.2 Substantial Completion. "***Substantial Completion***" of the Tenant Work shall be conclusively deemed to have occurred as soon as the Tenant Work to be installed by Landlord pursuant to this Work Agreement has been constructed in accordance with the Construction Drawings and Specifications and approved Change Orders for the Tenant Work, as evidenced by issuance of a Certificate of Substantial Completion by Landlord's architect. Notwithstanding the above, the Tenant Work shall be considered Substantially Complete and the Premises ready to be utilized for its intended purpose even though (a) there remain to be completed in the Premises

Punch List (as described in **Paragraph 5**) items, the lack of completion of which will not materially interfere with Tenant's permitted use of the Premises, or (b) there is a delay in the Substantial Completion of the Tenant Work due to a Tenant Delay.

4.3 Tenant Delay. The following items shall be referred to as a "***Tenant Delay***":

(a) Tenant's request for changes or additions to the Tenant Work subsequent to the date of Landlord's approval of the Pricing Plan;

(b) Any time spent rebidding the Cost Estimate or any subcontractor's bid at Tenant's request;

(c) Tenant's failure to pay when due any amounts required pursuant to this Work Agreement;

(d) Tenant's failure to approve or disapprove of any action item within the time limits required herein;

(e) The performance of or failure to perform any work by Tenant or any person or firm employed or retained by Tenant;

(f) Tenant's request for materials, finishes or installations which are not available as needed to meet the general contractor's schedule for Substantial Completion;

(g) Tenant's or Tenant's Agents interference with the general contractor's schedule; or

(h) Any other Tenant-caused delay of which Landlord notifies Tenant.

5. Punch-List. Prior to delivery of possession of the Premises to Tenant, Landlord and Tenant shall examine the Premises and shall agree upon the final "Punch-List" which will specify any portion of the Tenant Work that require correction. The taking of possession of the Premises by Tenant shall constitute an acknowledgement by Tenant that the Premises are in good condition and that all Tenant Work required by Landlord are satisfactory, except as to any items contained in the Punch-List. Landlord agrees to correct and complete any such items outlined in the Punch-List as soon as practicable.

6. Removal of Tenant Work. Portions of the Tenant Work, as reasonably determined by Landlord to be specialized Tenant Work (e.g. floor and ceiling mounted auxiliary air conditioning units, non-building standard fire suppression/control systems, computer rooms, auditoriums, laboratories, Cabling shall, at the election of Landlord made at the time of Landlord's approval of the Construction Drawings and Specifications or Change Order, as applicable, either be removed by Tenant at its expense before the expiration of the Term or shall remain upon the Premises and be surrendered therewith at the Expiration Date or earlier termination of this Lease as the property of Landlord without disturbance, molestation or injury. If Landlord requires the removal of all or part of such Tenant Work, Tenant, at its expense, shall repair any damage to the Premises or the Building caused by such removal and restore the Premises to its condition prior to the installation of the Tenant Work. If Tenant fails to remove the Tenant Work upon Landlord's request, then Landlord may (but shall not be obligated to) remove the same and the cost of such removal, repair and restoration, together with any and all damages which Landlord may suffer and sustain by reason of the failure of Tenant to remove the same, shall be charged to Tenant and paid upon demand. All Cabling installed by Tenant inside any of the interior walls of the Premises, above the ceiling of the Premises, in any portion of the ceiling plenum above or below the Premises, or in any

portion of the Common Areas of the Building, including but not limited to any of the shafts or utility rooms of the Building, shall be clearly labeled or otherwise identified as having been installed by Tenant. All Cabling installed by Tenant shall comply with the requirements of the National Electric Code and any other applicable fire and safety codes. Upon the expiration or earlier termination of this Lease, Tenant shall remove all Cabling installed by Tenant anywhere in the Premises or the Building to the point of the origin of such Cabling, and repair any damage to the Premises or the Building resulting from such removal.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Work Agreement as of the Date of Lease.

TENANT:

ZSCALER, INC.,
a Delaware corporation

By: /s/ Remo Canessa
Name: Remo Canessa
Title: CFO

Date: June 9, 2017

[LANDLORD SIGNATURE ON FOLLOWING PAGE]

LANDLORD:

US ER AMERICA CENTER 2, LLC,
a California limited liability company

By: US ER America Center 1 & 2 JV, LLC,
a Delaware limited liability company, its sole member

By: USAA Eagle Real Estate Multi-Sector Operating Partnership, LP,
a Delaware limited partnership, its managing member

By: USAA Eagle Real Estate REIT, LLC,
a Delaware limited liability company, its general partner

By: USAA Eagle Real Estate Feeder 1, LP,
a Delaware limited partnership, its manager

By: USAA Eagle Real Estate GP, LLC,
a Delaware limited liability company, its general partner

By: USAA Equity Advisors, LLC,
a Texas limited liability company, its sole member

By: USAA Real Estate Company,
a Delaware corporation, its sole member

By: /s/ Stanley R. Alterman
Name: Stanley R. Alterman
Title: Executive Managing Director

By: USAA Eagle Real Estate Feeder 3, LP,
a Delaware limited partnership, its general partner

By: USAA Eagle Real Estate GP, LLC,
a Delaware limited liability company, its general partner

By: USAA Equity Advisors, LLC,
a Texas limited liability company, its sole member

By: USAA Real Estate Company,
a Delaware corporation, its sole member

By: /s/ Stanley R. Alterman
Name: Stanley R. Alterman
Title: Executive Managing Director

Date: June 13, 2017

EXHIBIT B-2

SPACE PLAN

[Attached]

PARTITION LEGEND:

EXISTING PARTITION TO REMAIN

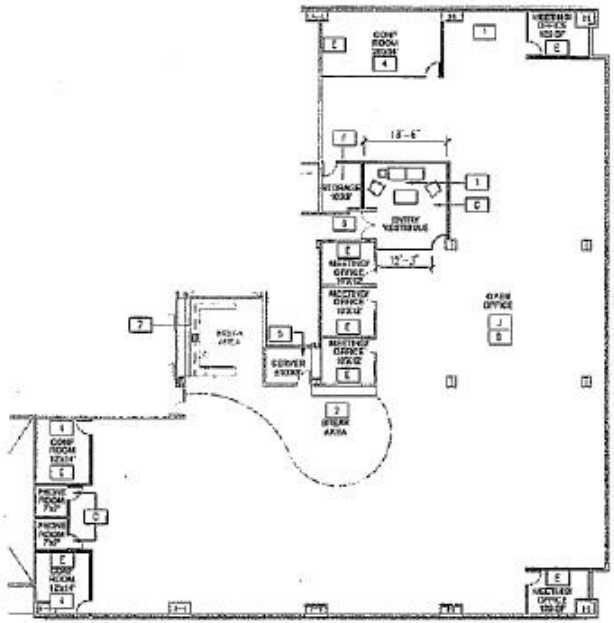
(N) UNDERGRID WALL – PAINT & BASE TO MATCH EXISTING

KEY NOTES:

1. ADD PENDANT FIXTURE IN THIS LOCATION.
2. NEW FLOORING TO MATCH EXISTING IN BREAK AREA.
3. PROVIDE 8 BASEFEEDS OR POWER POLES FOR WORKSTATION FURNITURE PROVIDED AND INSTALLED BY TENANT, TYP. AT OPEN OFFICE AREA. *EXACT LOCATIONS T.B.D.
4. PROVIDE FLOOR CORE AND POKE-THRU DEVICE IN THIS ROOM. DEVICE & EXACT LOCATION T.B.D. BY TENANT.
5. PROVIDE POWER IN SERVER ROOM FOR 2 RACKS. PROVIDE 2 TONS OF HVAC. EXACT POWER REQUIREMENTS TO BE PROVIDED BY TENANT.
6. NEW DOUBLE GLASS DOORS WITH PANIC HARDWARE IN THIS LOCATION.
7. REMOVE EXISTING CASEWORK AS NEEDED FOR NEW ADA DISHWASHER. GC TO PROVIDE AND INSTALL DISHWASHER. REPAIR CASEWORK AS NEEDED.

TENANT'S ALTS AT IT'S SOLE COST & EXPENSE

4. NOT USED.
3. NOT USED.
2. PROVIDE ALTERNATE PRICING TO ADD (2) PHONE ROOMS WITH UNDERGRID WALLS, DOOR & SIDELIGHT AS SHOWN.
3. PROVIDE ALTERNATE PRICING TO REMOVE ALL EXISTING ORANGE TILES AND REPLACE WITH SCR FIELD TILE & 50% COLORBEAT TILE IN BLUE COLOR T.B.D.
E. PROVIDE ALTERNATE PRICING FOR PROVIDE POWER AND RING & STRING AT THIS LOCATION (60" AFF). PROVIDE & INSTALL BRACKET FOR TENANT PROVIDED TV.
F. PROVIDE ALTERNATE PRICING FOR A STORAGE ROOM IN THIS LOCATION. EXISTING CARPET TO REMAIN IN THIS ROOM. PAINT AND BASE TO MATCH EXISTING.
G. PROVIDE ALTERNATE PRICING FOR ENTRY VESTIBULE. GYP. BOARD WALL AND FULL HEIGHT GLASS WALLS/DOOR. WIDTH AS SHOWN ON PLAN. TENANT TO PROVIDE COMPANY LOGO ON GYP. BOARD WALL. ASSUME ACCENT PAINT.



AREA SUMMARY:

TOTAL: ±14,483 RSF

AMERICA CENTER
6201 AMERICA CENTER DRIVE
SUITE 240
SAN JOSE, CALIFORNIA

ZSCALER
PROPOSED PLAN

STEELWAVE
STEELWAVE CCG, INC.
4039 BAY HILLS AVENUE, SUITE 200
FOSTER CITY, CA 94404-4305
TEL: (650) 571-2200
WWW.STEELWAVEGC.COM

Date
Job Number
Scale
Drawn by
PP-1

EXHIBIT B-3

SPECIFICATIONS

PARTITIONS

A. DEMISING PARTITION AND CORRIDOR WALLS

1. 3-5/8" (or match existing) - 20 gauge metal studs - 24" on center maximum from floor to ceiling grid. (Provide backing for cabinet as required)
2. 5/8" Type ‘X’ gypsum wallboard one layer each side of studs, fire taped only.
3. Height from floor to ceiling grid.
4. Seismic bracing per code.
5. Two rows of continuous acoustical sealant - bottom tracks. R-11 batt type fiberglass insulation between studs

Note:

—All partitions to be paint finished on smooth surfaces GA-214, level 5 smoothness.

—One hour rated walls where required based on occupancy group.

—All interior 1-hour corridors to be tunnel construction in compliance with UBC requirements for one-hour fire rated assembly.

B. TYPICAL INTERIOR PARTITION (Non rated)

1. 3-5/8" (or match existing) - 20 gauge metal studs - 24" on center maximum. (provide backing for wall mounted cabinetry or equipment as required).
2. 5/8" Type ‘X’ gypsum wallboard one layer each side of studs.
3. Height from floor to ceiling grid - approximately 9'-0" or 10'-0" based on structure cost at all floors; regular ceiling tiles must be scribed
4. Seismic bracing per code.
5. All exterior corners with corner beads. All exposed edges finished with metal trim.

Note:

—All partitions to be paint finished on smooth surfaces GA-214, level 5 smoothness.

—Partitions must connect to building mullions or walls. Mechanical fasteners to mullions shall not be allowed.

C. PERIMETER DRYWALL (at office areas)

1. 2-1/2" - 25 gauge metal studs 24" on center to 6" above suspended ceiling (or as required by Title-24 for full height envelope, refer to demising wall specification
2. 5/8" Type ‘X’ gypsum wallboard one layer on one side.
3. Height - floor slab to 6" above ceiling grid.
4. All exterior corners with corner beads.

Note:

—All partitions to be paint finished on smooth surfaces GA-214, level 5 smoothness.

D. COLUMN FURRING

1. 5/8" Type ‘X’ gypsum wallboard, one layer on 2 1/2" - 25 gauge metal studs, UNO.
2. Height - floor slab to 2" above ceiling grid.
3. All exterior corners with corner beads.

Note:

—All partitions to be paint finished on smooth surfaces GA-214, level 5 smoothness.

E. INSULATION

1. Insulation at all perimeter walls and roof per specifications
2. All common area walls including corridor, conference, copy rooms and lunch room to receive R-11 within partition cavity and four feet on either side of partition over ceiling at demising wall (if not full height)

F. FIRE BLOCKING

1. 2-1/2" 20 Gauge metal studs.
2. 5/8" gypsum wallboard one layer on one side.
3. Height-from top of suspended ceiling to structure above as required by code.
4. Locate as required by code for the proposed tenant space plans.

G. PAINTING

1. All gypsum board walls to receive a prime coat (hi-build PVA sealer) and two (2) coats to cover of ‘carefree’ flat finish paint or equal.
2. Semi-gloss paint at all kitchens, break rooms, restrooms and server/copy rooms.

DOORS, FRAMES AND HARDWARE

Note: all doors and hardware within existing buildings to match U.O.N.

A. INTERIOR TENANT DOOR ASSEMBLY (non-rated doors within office suites)

1. Interior doors: shall be 3'0" x 9'-0" x 1 ¾" blind end flush doors (unless otherwise specified), solid core, pre-finished with plain sliced select maple, book-match with clear sealer.
2. (existing condition) Doors shall be pre-finished and match existing core doors in finish, material and appearance. Finish all edges. 5" top blocking at doors w/closers.
3. Interior Tenant doorframes to be prefinished rated Western Integrated frames with factory finish; Color: Satin Aluminum
4. Corridor doorframes to Suites to be: Satin Aluminum
5. Hardware:

(a) Interior Tenant Door

QTY	SUBTYPE	ITEM DESCRIPTION
4	Butts(2 pair per door)	Hager
1	Latchset	Schlage “L” Series Mortise
1	Lockset	Schlage “L” Series Mortise
1	Door Stop	Glynn Johnson FB13, floor dome
1	Closer	LCN #4111(where required)

(b) Suite Entry Doors-Fire rated as required by occupancy and code requirements.

QTY	SUBTYPE	ITEM DESCRIPTION
8	Hinges (4 pair per door)	Hager
1	Lockset	Schlage “L” Mortise
1	Auto Flush Bolt	942 626 DCI
1	Dust Proof Strike	80 626 DCI
2	Door Stops	Glynn Johnson FB13, floor dome
1	Closer	LCN #4111(where required)

B. INTERIOR GLAZING

1. (a) ¼" thick clear tempered glass in non-rated, prefinished frames by Western Integrated frames with aluminum trim. Frame to be factory finished; Color: Satin Aluminum (b) ¼ thick clear tempered glass in non-rated, M-121 glass stops; Color: Satin Aluminum
2. ¼" thick tempered safety glass where required per code.
3. Return gypsum board into opening at both sides, provide metal corner bead all around opening. Finish to match wall.
4. Provide two 20 Ga. metal studs fastened at 12" O.C. back-to-back at jambs and head (minimum) as per detail. Provide seismic brace per code.

Note:

—All office doors to have 2'-0" wide by full height (inside window frame to inside window frame) sidelights where possible. At areas where less than 2'-0" is available, provide maximum. Sidelight frames to be integral with doorframes.

SUSPENDED ACOUSTICAL CEILING

Note: Tenant ceiling height at 9'-0" (installed at top of top exterior window mullion)

1. Grid: **USG Donn Fineline DXFF** Narrow 9/16" face with 1/8" reveal. Finish: White Matte with white reveal, Suspension System with wire suspension and seismic bracing per code. Wall angle: M9
2. Tile: USG 2'x2'x ¾" Millennia Tegular White.
3. Seismic bracing per code.
4. Seismic wires for lighting and electrical to be provided by acoustical ceiling contractor.

WINDOW COVERINGS

1. Exterior Window covering - horizontal: 1" mini-blinds as manufactured by Levelor, series: Riviera Dustguard.
2. Blinds to be sized to fit inside window module. Fasten to top horizontal mullions only.
3. Vertical blinds to be installed with building shell but costs allocated to tenant improvement allowance.

FIRE SPRINKLER SYSTEM

1. A pre-zoned sprinkler will be provided in all areas. Head locations will be determined by a pre-zoned master layout. Modification of sprinkler locations and piping, due to specific tenant layout, will be at tenant’s cost. Semi-recessed pendent sprinkler heads with white escutcheon. Sprinkler to be centered in tile.
2. Fire Sprinkler coverage light hazard, .33 gpm / 3,000 SF in shell and modified per improvement.
3. Gyp Board Ceilings: Fully recessed with cap at gypsum board ceiling. Reliable Model F4FR Concealed automatic sprinkler with ½" - 1 ½" adjustment - White

SIGNAGE

Refer to Landlord

CABINETRY

1. 6'-0" linear feet of upper and lower millwork allowable by building standard.
2. Plastic laminate horizontal and vertical surfaces.
3. Horizontal and Verticals: See individual options under finishes for plastic laminate specifications
4. Cabinetry Construction: Designation, APA C-D plugged with exterior glue, ¾" thick or ¾" high pressure particle board. Min. density 45 PSF, U.N.O.
5. Cabinetry: Plastic laminate finish, countertops and splashes shall be constructed in accordance with WIC manual of Millwork, “Custom” grade.
6. Hardware:
   a. Hinges: Self-closing type, fully concealed when the doors are closed. Shall have independent vertical, horizontal and depth adjustment. Shall be steel with nickel-plated finish. Hinges shall be one of the following products:

      Brass America, Inc. Nos. 1200/1201

      Julius Blum, Inc. No. 91.650

      Stanley Hardware Nos. 1511-2/1511-9x or equal.
7. Pulls: 4" X 5/16" diameter wire pulls, brushed chrome finish. U.N.O.
8. Adjustable Shelf Supports to be hole & pin type, Hafele 282.24.710 5MM steel pin.
9. Drawers: Provide heavy-duty ¾ extension drawer slides.
10. Mutes: Clear vinyl dot.
11. Fasteners and Anchorages: Provide nails, screws, or other anchoring devices of type, size material and finish suitable for intended use and required to provide secure
12. Casework:
    a. Drawer Boxes: Provide sub-front and applied finish fronts securely fastened, with square corners and self-edges. Provide drawers with metal studs.
    b. Doors: Flush overlay type with square corners, and self edged. Do not notch door, cabinet ends or dividers to receive hinges.
    c. Shelves: ¾" thick for spans up to 35" and 1" thick for spans over 35" up to 48" and adjustable to 1" centers. Do not recess metal shelf standards into end panels; notch shelving to clear standards.

TENANT SUITE FINISH MATERIALS

A. <u>PAINT</u>

Field Color: Kelly Moore # OW250-1 De La Creme (accent colors within open areas may be used at designer’s discretion approved by Ownership)

B. <u>FINISH STANDARD</u>

Carpet:	Shaw Contract Group: ‘Stitch’ Model #5A075, Color: Vintage Canvas 75103 Installation: Direct Glue Down
Rubber Base:	Johnsonite Tightlock - Color: #01 Snow White, 3.25 high, rubber base. 3-1/4" cove base at resilient flooring, 3-1/4" straight base at carpet (rolled goods only). Rubber transition strip between carpet and resilient flooring, Color to match base

VCT#1:	Armstrong ‘Stonetex Vinyl Composite Tile, Color #52139 Limestone Beige, 12" x 12" x 1/8"
Plastic Lam.:	Formica #756-58 Natural Maple (base cabinet vertical surfaces & upper cabinets)
Plastic Lam.:	Formica #7022-58 Natural Canvas (horizontal surfaces, countertops)

HEATING, VENTILATION AND AIR CONDITIONING

Furnish and install all materials and equipment necessary to provide complete and usable air conditioning systems in tenant spaces including, but not necessarily limited to, the following:

A. Requirements shall be in accordance with title 24 and all other applicable codes.

B. CEILING DIFFUSER SPECIFICATION

a. Ceiling diffusers shall have perforated face with frame style compatible with the type of ceiling used. Surface mounted diffusers shall have gaskets to prevent leakage. Diffuser faceplate shall have concealed hinges and latches. Face plates shall be easily removable from the frame.

b. Diffusers shall be modular core and shall have curved, adjustable blades and shall be capable of delivering 1-way, 2-way, 3-way or 360 degree horizontal ceiling pattern and be adjustable to obtain a down air pattern. Diffuser must have high anti-smudge characteristics with center aspiration.

c. Material shall be steel. Finish shall be Standard White baked enamel.

d. Supply diffusers shall be Titus modular core PMC perforated face-size 24"x24" for lay-in ceiling tile.

e. Return/Exhaust diffusers shall be Kruger

f. Perforated ceiling diffusers shall be tested in accordance with Air Diffusion Council (ADC) code 10602R4. Sound data for diffusers shall be calculated in accordance with International Standard ISO 3741 Comparison Method.

g. The following manufactures shall be considered equal, providing corresponding models meet specific requirements. Equivalent substituted equipment named herein shall be submitted for the Architect’s review. Submit alternate selections at a time of bid listing major equipment.

h. Manual dampers in all drops.

ITEM	MANUFACTURER
AIR FILTERS	Kruger
MIXING BOXES	Kruger
GRILLES	Kruger

C. THERMOSTATS

Thermostats shall be provided for each zone. Honeywell Pneumatic, Model TP970A, 2004

Direct Acting, Range 60° ☐to 90°, Color White

D. SUBMITTALS

For Non-Standard Material Lists/Product Data: Within 5-7 days of contract award, and prior to ordering any materials or equipment, submit for Owner's review complete material list including catalogue data of material and products for work in this section.

Note: Install BTU meters for any condenser water usage at tenant cost.

ELECTRICAL

1. GENERAL

a. All work, material or equipment shall comply with the codes, ordinance and regulations of the local government having jurisdiction, including Title 24 and any participating government agencies having jurisdiction.

b. 110V duplex outlet in demising or interior partitions only, as Manufactured by Leviton or equal. Color: White

c. Maximum eight outlets per 20 amps 3 phase 4-wire circuit, spacing to meet code requirements. Minimum 2 per: office (1 quad with drop for voice/data and 1 duplex on opposite wall), conference room, reception, 2 dedicated over cabinet at break room; junction boxes above ceiling for large open area with furniture partitions.

d. Contractors to inspect electric room and base building Electrical drawings to include all necessary metering, connections and additional equipment, i.e., panels and transformers, if needed. Base building provides one (1) power panel and one (1) lighting panel per electrical room.

e. Note: Install electric meter for any above-standard electrical usage at Tenant Cost.

2. RACEWAYS

a. Conduit shall be rigid galvanized steel (RGS), electrical metallic tubing (EMT), metal clad (MC) cable, polyvinyl, chloride (PVC), and flexible or liquid tight flexible conduit.

b. Type 'AC' and 'NM' cable are not acceptable.

c. Support per seismic zone 4 requirements.

3. WIRING DEVICES

a. Receptacles, toggle switches and coverplates shall be white (dedicated - gray) - Leviton. Mount so that the center of the receptacles is no less than 15" AFF.

b. Maximum eight (8) outlets per 20 amp 3 phase 4-wire circuit. Spacing to meet code requirements. Amounts to be two duplex outlets per small and three for large private office, storage room and conference room. One dedicated outlet per copy room; one dedicated 20-amp outlet per telephone panel and one 20-amp circuit per 200 square foot of open area for workstations.

c. All workstation hardwire connections to be building power to be supplied by tenant.

d. Transformers to be a minimum of 20% or over required capacity shall be K-=rated dry type.

e. Contractors to inspect electric room and base building electrical drawings to include all necessary metering and connections.

f. No aluminum wiring is acceptable. AC and NM cable is not to be used.

g. Provide separate neutrals for each circuit. Use stranded wire for each circuit. Use copper conductors only, no exception.

h. Switch assembly to be Leviton.

i. Motion sensors as required by lighting management system and by Title 24.

4. TELEPHONE / DATA OUTLETS

a. One (1) single box to house phone/data jack with pull string from outlet box to area above T-bar ceiling with cover plate per office; Two (2) boxes to house phone/data jack with pull string from outlet box to area above T-bar ceiling with cover plate per large open area. Cover plate finish required: white, supplied by tenant's Telcom contractor. Mount so that the center of the receptacles is no less than 15" AFF.

b. One (1) 6' wide by 4' high plywood backboard installed as telephone backboard, brace and secure to wall. Painted to match wall color. Provide one duplex 20 amp dedicated outlet for phone service per above electrical specification. Provide 2" conduit from floor main phone room to six inches (6") below ceiling at telephone backboard.

c. Cable service installation for phone and data outlets by tenant's telephone/data vendors at tenant's cost. Additional outlets and cover plates to be provided by tenant's vendors at tenant's cost. In speculative office suites, contractor to provide and install blank cover plates.

d. Telephone panel boards to be located within tenant space and to be surface mounted.

5. TRANSFORMERS

a. Transformers shall be UL listed and suitable for the application - NEMA 1 or 3 R.

b. Transformers shall be 480V (primary) - 20by/120V (secondary), rated for 80 C rise above an ambient temperature of 40 C.

c. Support for seismic zone 4 requirements.

d. Acceptable manufacturers shall be General Electric, Cutler-Hammer, Siemens, Square D, or Westinghouse.

6. PANEL BOARDS

a. Panel boards shall be UL listed and suitable for the application - NEMA 1 or 3R.

b. All circuit breakers shall be molded case, bolt-on type.

c. Support per seismic zone 4 requirements.

d. Acceptable manufactures shall be General Electric, Cutler-Hammer, Siemens, Square D, or Westinghouse.

7. LIGHT FIXTURES

a. Light fixtures shall be 24"x 48"x 3" Parabolic Diffuser with three 32 Watt T8 lamps per fixture size, 1-electronic ballasts. Fixtures shall be Lightolier DPA-2T18-L-S-332-UNV03-18-29187-000M 277 V with modular wiring and (1) electronic ballast (Advance Ballast #VEL-3P32-SC). Fixtures shall match existing in suite with modular wiring and (1) electronic ballast (verify for 2 or 3 lamp fixture requirement based on energy efficiency requirement with approximately 50 F.C. at desk height).

b. Support per seismic zone 4 requirements.

c. Quantities and locations per plans.

8. LIGHT CONTROL/SWITCHING

Wall occupancy sensors - Mytec #LP-2-DC

9. EXIT SIGNS

a. Edge lite with recessed ceiling mount, floating green letters on a clear panel with LED Technology, by Dualite or equivalent.

b. Quantities and locations per exiting and lighting plans.

c. Single or double face and directional arrows per lighting plans.

MISCELLANEOUS

1. FIRE CAULKING

a. General Contractor is responsible for all fire caulking required by any and all work done during the process of construction.

2. PLUMBING

a. Shall comply with all local codes and handicapped code requirements. Fixture shall be: Manufacturer Elkay, “Hospitality sink” #BPSR-2317 - stainless steel, two faucet holes, or equivalent. Faucet: single lever post mount bar faucet by ‘Elkay’ #LK-4122 or equivalent.

b. Plumbing bid shall include 5 gallon minimum hot water heater, or insta-hot with mixer valve including all connections, located within tenant’s suite.

EXHIBIT C

RULES AND REGULATIONS

1. No part or the whole of the sidewalks, plaza areas, entrances, passages, courts, elevators, vestibules, stairways, corridors or halls of the Project shall be obstructed or encumbered by Tenant or used for any purpose other than ingress and egress to and from the Premises. Tenant shall not have access to the roof of the Building, unless accompanied by a representative of Landlord.

2. No equipment, furnishings, personal property or fixtures shall be placed on any balcony of the Building without first obtaining Landlord's written consent. No awnings or other projections shall be attached to the exterior walls of the Building. No skylight, window, door or transom of the Building shall be covered or obstructed by Tenant, and no window shade, blind, curtain, screen, storm window, awning or other material shall be installed or placed on any window or in any window of the Premises except as approved in writing by Landlord. If Landlord has installed or hereafter installs any shade, blind or curtain in the Premises, Tenant shall not remove the same without first obtaining Landlord's written consent thereto.

3. No showcases or other articles shall be put in front of or affixed to any part of the exterior of the Building, nor placed in the Common Area.

4. Tenant shall not place or permit its Agents to place any trash or other objects anywhere within the Project (other than within the Premises) without first obtaining Landlord's written consent.

5. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish bags or other substances (including, without limitation, coffee grounds) shall be thrown therein.

6. Tenant shall not mark, paint, drill into or in any way deface any part of the Project or the Premises. No boring, cutting or stringing of wires shall be permitted.

7. No cooking shall be done or permitted in the Building by Tenant or its Agents except that Tenant may install and use microwave ovens. Tenant shall not cause or permit any unusual or objectionable odors to emanate from the Premises.

8. The Premises shall not be used for the manufacturing or storage of merchandise.

9. Tenant shall not make or permit any unseemly or disturbing noises or disturb or interfere with other tenants or occupants of the Project or neighboring buildings or premises by the use of any musical instrument, radio, television set, other audio device, unmusical noise, whistling, singing or in any other way.

10. Nothing shall be thrown out of any doors, windows or skylights or down any passageways.

11. No additional locks or bolts of any kind shall be placed upon any of the doors or windows of the Premises, nor shall any changes be made in locks or the mechanism thereof without prior notice to and the approval of Landlord. Tenant shall, upon the termination of its Lease, return to Landlord all keys to the Premises and other areas furnished to, or otherwise procured by, Tenant. In the event of the loss of any such keys or card keys, as applicable, Tenant shall pay Landlord the cost of replacement keys.

12. Tenant shall not use or occupy or permit any portion of the Premises to be used or occupied as an employment bureau or for the storage, manufacture or sale of liquor, narcotics or drugs. Tenant shall not engage or pay any employees in the Building except those actually working for Tenant in the Building, and Tenant shall not advertise for non-clerical employees giving the Building as an address. The Premises shall not be used, or permitted to be used, for lodging or sleeping or for any immoral or illegal purpose.

13. Subject to the terms of the Lease, Tenant shall have access to the Premises 24 hours per day, seven days per week. Landlord reserves the right to control and operate the Common Area in such manner as it deems best for the benefit of the Project tenants. Landlord may exclude from all or a part of the Common Area at all hours, other than during Normal Business Hours, all unauthorized persons. “Normal Business Hours” shall be deemed to be between the hours of 7:00 A.M. and 6:00 P.M. Monday through Friday, but excluding Building holidays. Tenant shall be responsible for all visitors, invitees, agents and employees of Tenant who enter the Building and Project on Building holidays and during other than Normal Business Hours and shall be liable to Landlord for all acts of such persons.

14. Tenant shall have the responsibility for the security of the Premises and, before closing and leaving the Premises at any time, Tenant shall see that all entrance doors are locked and all lights and office equipment within the Premises are turned off, and Landlord shall have no responsibility relating thereto. Landlord will not be responsible for any lost or stolen personal property, equipment, money or jewelry from Tenant’s area or Common Areas regardless of whether such loss occurs when the area is locked against entry or not.

15. Requests and requirements of Tenant shall be attended to only upon application at the office of Landlord. Project employees shall not be required to perform any work outside of their regular duties unless under specific instructions from Landlord.

16. Vending, canvassing, soliciting and peddling in the Building are prohibited, and Tenant shall cooperate in seeking their prevention.

17. In connection with the delivery or receipt of merchandise, freight or other matter, no hand trucks or other means of conveyance shall be permitted, except those equipped with rubber tires, rubber side guards or such other safeguards as Landlord may require.

18. No animals of any kind shall be brought into or kept about the Project by Tenant or its Agents, except service dogs for the visually impaired.

19. No vending machines shall be permitted to be placed or installed in any part of the Project by Tenant without the permission of Landlord. Landlord reserves the right to place or install vending machines in the Project (other than in the Premises).

20. Tenant shall not allow in the Premises, on a regular basis, more than seven Occupants (defined as Tenant’s Agents, except as provided in the next sentence) for each 1000 Rentable Square Feet of the Premises. “Occupants” shall not include people not employed by Tenant that deliver or pick up mail or other packages at the Premises, Landlord’s Agents or employees or contractors of Landlord’s Agents.

21. So that the Building may be kept in a good state of cleanliness, Tenant shall permit only Landlord's employees and contractors to clean its Premises unless prior thereto Landlord otherwise consents in writing. Tenant shall provide adequate waste and rubbish receptacles, cabinets, bookcases, map cases, etc. necessary to prevent unreasonable hardship to Landlord in discharging its obligation regarding cleaning service.

22. Tenant shall keep the windows and doors of the Premises (including, without limitation, those opening on corridors and all doors between any room designed to receive heating or air conditioning service and room(s) not designed to receive such service) closed while the heating or air conditioning system is operating in order to minimize the energy used by, and to conserve the effectiveness of, such systems.

23. The elevator designated for freight by Landlord will be available for use by all tenants in the Building during the hours and pursuant to such procedures as Landlord may determine from time to time. The persons employed to move Tenant's equipment, material, furniture or other property in or out of the Building must be acceptable to Landlord. The moving company must be a locally recognized professional mover, whose primary business is the performing of relocation services, and must be bonded and fully insured. A certificate or other verification of such insurance must be received and approved by Landlord prior to the start of any moving operations. Insurance must be sufficient in Landlord's sole opinion, to cover all personal liability, theft or damage to the Project, including, but not limited to, floor coverings, doors, walls, elevators, stairs, foliage and landscaping. Special care must be taken to prevent damage to foliage and landscaping during adverse weather. All moving operations will be conducted at such times and in such a manner as Landlord will direct, and all moving will take place during non-business hours unless Landlord agrees in writing otherwise. Tenant will be responsible for the provision of Building security during all moving operations, and will be liable for all losses and damages sustained by any party as a result of the failure to supply adequate security. Landlord will have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Building. Heavy objects will, if considered necessary by Landlord, stand on wood strips of such thickness as is necessary properly to distribute the weight. Landlord will not be responsible for loss of or damage to any such property from any cause, and all damage done to the Building by moving or maintaining such property will be repaired at the expense of Tenant. Landlord reserves the right to inspect all such property to be brought into the Building and to exclude from the Building all such property which violates any of these Rules and Regulations or the Lease of which these Rules and Regulations are a part. Supplies, goods, materials, packages, furniture and all other items of every kind delivered to or taken from the Premises will be delivered or removed through the entrance and route designated by Landlord, and Landlord will not be responsible for the loss or damage of any such property unless such loss or damage results from the negligence of Landlord or its Agents.

24. A directory of the Building will be provided for the display of the name and location of tenants only and such reasonable number of the principal officers and employees of tenants as Landlord in its sole discretion approves, but Landlord will not in any event be obligated to furnish more than one (1) directory strip for each 2,500 square feet of Rentable Area in the Premises. Any additional name(s) which Tenant desires to place in such directory must first be approved by Landlord, and if so approved, Tenant will pay to Landlord a charge, set by Landlord, for each such additional name. All entries on the building directory display will conform to standards and style set by Landlord in its sole discretion. Space on any exterior signage will be provided in Landlord's sole discretion.

25. Neither Landlord nor any operator of the Parking Facilities within the Project, as the same are designated and modified by Landlord, in its sole discretion, from time to time will be liable for loss of or damage to any vehicle or any contents of such vehicle or accessories to any such vehicle, or any property left in any of the Parking Facilities, resulting from fire, theft, vandalism, accident, conduct of

other users of the Parking Facilities and other persons, or any other casualty or cause. Further, Tenant understands and agrees that: (i) Landlord will not be obligated to provide any traffic control, security protection or operator for the Parking Facilities; (ii) Tenant uses the Parking Facilities at its own risk; and (iii) Landlord will not be liable for personal injury or death, or theft, loss of or damage to property.

26. Tenant (including Tenant's Agents) will use the Parking Space Allocation solely for the purpose of parking passenger model cars, small vans and small trucks and will comply in all respects with any rules and regulations that may be promulgated by Landlord from time to time with respect to the Parking Facilities. The Parking Facilities may be used by Tenant or its Agents for occasional overnight parking of vehicles. Tenant will ensure that any vehicle parked in any of the Parking Space Allocation will be kept in proper repair and will not leak excessive amounts of oil or grease or any amount of gasoline. If any of the Parking Space Allocation are at any time used: (i) for any purpose other than parking as provided above; (ii) in any way or manner reasonably objectionable to Landlord; or (iii) by Tenant after default by Tenant under the Lease, Landlord, in addition to any other rights otherwise available to Landlord, may consider such default an Event of Default under the Lease.

27. Tenant's right to use the Parking Facilities will be in common with other tenants of the Project and with other parties permitted by Landlord to use the Parking Facilities. Landlord reserves the right to assign and reassign, from time to time, particular parking spaces for use by persons selected by Landlord provided that Tenant's rights under the Lease are preserved. Landlord will not be liable to Tenant for any unavailability of Tenant's designated spaces, if any, nor will any unavailability entitle Tenant to any refund, deduction, or allowance. Tenant will not park in any numbered space or any space designated as: RESERVED, HANDICAPPED, VISITORS ONLY, or LIMITED TIME PARKING (or similar designation).

28. If the Parking Facilities are damaged or destroyed, or if the use of the Parking Facilities is limited or prohibited by any governmental authority, or the use or operation of the Parking Facilities is limited or prevented by strikes or other labor difficulties or other causes beyond Landlord's control, Tenant's inability to use the Parking Space Allocation will not subject Landlord or any operator of the Parking Facilities to any liability to Tenant and will not relieve Tenant of any of its obligations under the Lease and the Lease will remain in full force and effect.

29. Tenant has no right to assign or sublicense any of its rights in the Parking Space Allocation, except as part of a permitted assignment or sublease of the Lease (including an assignment or sublease made in accordance with **Section 10.4** or **Section 10.5**); however, Tenant may allocate the Parking Space Allocation among its employees.

29. Tenant shall cooperate with Landlord in keeping its Premises neat and clean.

30. Smoking of cigarettes, pipes, cigars or any other substance is prohibited at all times within the Premises, elevators, Common Area restrooms, any other interior Common Area of the Building or Project and, unless designated as a smoking area, any exterior Common Area of the Project.

31. If required by Landlord, each tenant is required to participate in the Building's recycling or other trash management program, as well as any green initiatives that may be in effect from time to time. This includes compliance with all instructions from the Building's recycling or other vendor which Landlord shall distribute to each tenant from time to time. Each tenant shall store all trash and garbage within its premises or in such other areas specifically designated by Landlord. No materials shall be placed in the trash boxes or receptacles in the Building unless such materials may be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage and will not result in a violation of any law or ordinance governing such disposal. All garbage and refuse disposal shall be only through entryways and elevators provided for such purposes and at such times as Landlord shall designate.

32. These Rules and Regulations are in addition to, and shall be construed to modify and amend the terms, covenants, agreements and conditions of the Lease; provided, however, in the event of any inconsistency between the terms and provisions of the Lease and the terms and provisions of these Rules and Regulations, the terms and provisions of the Lease shall control.

33. Tenant shall give Landlord prompt notice of any accidents to or defects in the water pipes, gas pipes, electric lights and fixtures, heating apparatus, or any other service equipment.

34. Tenant and its Agents shall not bring into the Building or keep on the Premises any bicycle or other vehicle without the written consent of Landlord.

35. Landlord reserves the right to amend these Rules and Regulations and to make such other and further reasonable Rules and Regulations as, in its judgment, may from time to time be needed and desirable.

36. Tenant will refer all contractors, contractors' representatives and installation technicians rendering any service for Tenant to Landlord for Landlord's supervision and/or approval before performance of any such contractual services. This shall apply to all work performed in the Building, including, but not limited to, installation of telephones, telegraph equipment, electrical devices and attachments, and installations of any and every nature affecting floors, walls, woodwork, trim, windows, ceilings, equipment or any other physical portion of the Building. None of this work will be done by Tenant without first obtaining Landlord's written approval.

37. Without limitation to the Rules and Regulations that are applicable to the Common Areas, the following Rules and Regulations shall apply to any use of the portion of Common Areas comprising the sport courts ("Courts"):

a. The Courts are only available for use on a first come-first served basis by tenants of America Center and their adult employees ("Authorized User").

b. No guests or minors are permitted on the Courts unless accompanied by an Authorized User at all times.

c. Use of the Courts is prohibited between the hours of 9:00 pm and 5:00 am, after dark (unless lighted) and when wet.

d. The following are prohibited on the Courts at all times: smoking, cooking and use of barbeque grills, animals, food and drinks (except water in closeable plastic containers), glass containers, use of the Courts under the influence of alcohol, stimulants, or depressants, items with wheels on the synthetic turf, and use of tape and adhesives on the synthetic turf.

e. No medical professionals or fitness instructors are provided by Landlord or supervising the Courts at any time.

f. Only persons who are physically qualified, have a physician's approval and are in the presence of others are permitted to use the Courts. Any person who feels ill, dizzy or faint must discontinue activity on the Courts and seek help.

g. Appropriate exercise shoes and attire are required.

h. Please report any malfunctioning equipment or damage to the Courts to the Project management office. Do not relocate or use any equipment on the Courts, except as in the manner intended for its proper use.

i. Always practice safety and courtesy to others.

j. Use of the Courts is contingent on compliance with any rules and regulations posted at the Courts from time to time, regardless of whether stated in these Rules and Regulations.

k. Landlord retains sole discretion to interpret and amend the rules and regulations for the use of the Courts, terminate use of the Courts at any time and to regulate use of the Courts through reservations, time limitations or otherwise.

EXHIBIT D

SECRETARY'S CERTIFICATE

The undersigned, as secretary of ZSCALER, INC., a Delaware corporation (the "Company") named below, certifies that at a special meeting of the board of directors of the Company, duly called and held on the __ day of _____, ____, which a quorum of the directors were present and acting throughout, the following resolutions were unanimously adopted and are still in force and effect:

RESOLVED that the president, vice president or other authorized officer of the Company shall be authorized to execute a lease for office space on behalf of the Company and/or to guarantee performance of a lease for office space, described below:

Date of Lease:	_____
Landlord:	US ER AMERICA CENTER 2, LLC
Tenant:	ZSCALER, INC., a Delaware corporation
Guarantor:	None
Suite Number:	240
Building Address:	6201 America Center Drive San Jose, California 95002

RESOLVED FURTHER, that the president, vice president or other authorized officer is authorized on behalf of the Company to execute and deliver to Landlord all instruments reasonably necessary for the Lease. Landlord is entitled to rely upon the above resolutions until the board of directors of the Company revokes or alters same in written form, certified by the secretary of the Company, and delivers same, certified mail, return receipt requested, to Landlord. The Company is duly organized and is in good standing under the laws of the State of California. The undersigned further certifies that on the meeting date referred to above, the names and respective titles of the officers of the Company were as follows:

Name	Title

WITNESS MY HAND this __ day of _____, ____.

ZSCALER, INC., a Delaware corporation

_____
Signature of Secretary of Company

_____
Name of Secretary

This instrument was acknowledged before me on the __ day of _____, 20__ by _____, Secretary of ZSCALER, INC., a Delaware corporation, on its behalf.

_____
Notary Public for the State of _____

Name of Notary: _____

My Commission Expires: _____

EXHIBIT E

CONFIRMATION OF COMMENCEMENT DATE

THIS CONFIRMATION OF COMMENCEMENT DATE is entered into this __ day of _____, 20__, by and between US ER AMERICA CENTER 2, LLC, a California limited liability company ("Landlord"), and ZSCALER, INC., a Delaware corporation ("Tenant").

Landlord and Tenant entered into an Office Lease dated _____ (the "Lease") for approximately 15,927 Rentable Square Feet known as Suite 240 located on the second (2nd) floor (the "Premises") of the building known as America Center II located at 6201 America Center Drive, San Jose, California.

In consideration of the foregoing, the parties hereto hereby mutually agree as follows:

1. Landlord and Tenant hereby agree that:
   a. The Commencement Date of the Lease is _____.
   b. The Expiration Date of the Lease is _____.

2. Tenant hereby confirms that:
   a. it has accepted possession of the Premises pursuant to the terms of the Lease;
   b. the Lease has not been modified, altered, or amended except as follows: _____; and
   c. on the date hereof, the Lease is in full force and effect.

3. This Confirmation, and each and all of the provisions hereof shall inure to the benefit of, or bind, as the case may require, the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this instrument on the date first above-written.

TENANT:

ZSCALER, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

Date: _____

[LANDLORD SIGNATURE ON FOLLOWING PAGE]

LANDLORD:

US ER AMERICA CENTER 2, LLC,
a California limited liability company

By: US ER America Center 1 & 2 JV, LLC,
a Delaware limited liability company, its sole member

By: USAA Eagle Real Estate Multi-Sector Operating Partnership, LP,
a Delaware limited partnership, its managing member

By: USAA Eagle Real Estate REIT, LLC,
a Delaware limited liability company, its general partner

By: USAA Eagle Real Estate Feeder 1, LP,
a Delaware limited partnership, its manager

By: USAA Eagle Real Estate GP, LLC,
a Delaware limited liability company, its general partner

By: USAA Equity Advisors, LLC,
a Texas limited liability company, its sole member

By: USAA Real Estate Company,
a Delaware corporation, its sole member

By: _____
Name: _____
Title: _____

By: USAA Eagle Real Estate Feeder 3, LP,
a Delaware limited partnership, its general partner

By: USAA Eagle Real Estate GP, LLC,
a Delaware limited liability company, its general partner

By: USAA Equity Advisors, LLC,
a Texas limited liability company, its sole member

By: USAA Real Estate Company,
a Delaware corporation, its sole member

By: _____
Name: _____
Title: _____

Date: _____

EXHIBIT F

LIST OF ENVIRONMENTAL REPORTS

1. Phase I Environmental Site Assessment Report prepared by ENV America and dated September 2007.
2. Description of Closure, recorded September 4, 2007, as Instrument No. 19573415, Santa Clara County Recorder
3. California Regional Water Quality Control Board Order 01-029
4. Fact Summary of Prospective Purchaser Agreements
5. Soil Management Plan dated July 7, 1999
6. Soil Management Plan Update Letter dated August 31, 2005
7. Summary of Environmental Issues for Redevelopment of the Site – Legacy America Center
8. Environmental Safety Fact Sheet About Legacy America Center
9. Phase I Environmental Site Assessment Update prepared by Haley & Aldrich, dated December 16, 2010
10. EPA ROD CAD980894885 dated September 29, 1989
11. Second Five Year Review Report for South Bay Asbestos Site dated September 2005
12. Second Semi-Annual and Annual 2007 Discharge Monitoring Report, Highway 237 Landfill, prepared by Crawford Consulting Inc., dated January 31, 2008
13. Post Closure Land Use Proposal revised February 2000
14. Construction Quality Assurance Report America Center – Landfill Closure dated May 24, 2002, prepared by Treadwell and Rollo
15. Water Quality Monitoring Plan, Highway 237 Landfill, Crawford Consulting, Inc., September 2001
16. Agreement and Covenant Not to Sue Legacy Partners 2335 LLC – South Bay Asbestos Area Superfund Site, San Jose, CA, Docket No. 99-10
17. Agreement and Covenant Not to Sue WCSJ LLC, Docket No. 2000-07
18. Operation and Maintenance Manual (Methane Mitigation and Monitoring Systems) prepared by Treadwell & Rollo, dated July 5, 2011, Project No. 2580.04
19. Letter from Treadwell & Rollo to Legacy Partners CDS, Inc. dated June 30, 2011, Re Final Completion Report for Methane Mitigation System
20. Environmental Site Assessment prepared by EFI Global, Inc. dated September 26, 2013 under Project No. 98410-17806

EXHIBIT G

LOCATION OF EYEBROW SIGNAGE

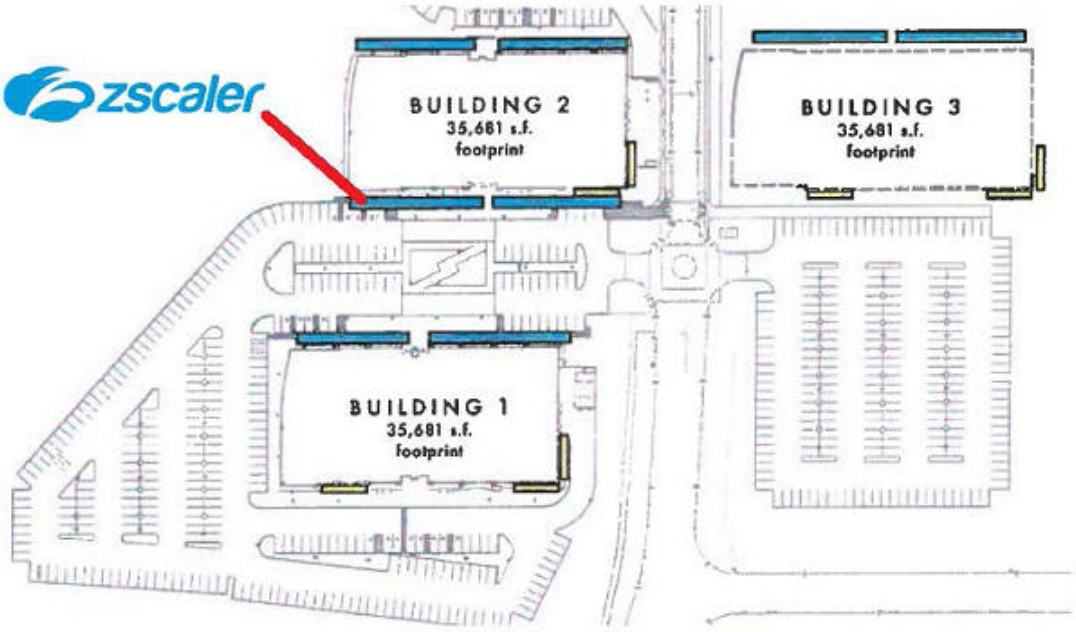


EXHIBIT H

FORM OF LETTER OF CREDIT

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER _____

ISSUE DATE: _____

ISSUING BANK:
SILICON VALLEY BANK
3003 TASMAN DRIVE
2ND FLOOR, MAIL SORT HF210
SANTA CLARA, CALIFORNIA 95054

BENEFICIARY:
US ER AMERICA CENTER 2, LLC
c/o USAA Real Estate Company
9830 Colonnade Boulevard, Suite 600
San Antonio, Texas 78230-2239
Attention: Head of Office Asset Management
Attention: General Counsel

APPLICANT:

_____

_____

_____

_____

AMOUNT: US $168,147.63 (ONE HUNDRED SIXTY EIGHT THOUSAND ONE HUNDRED FORTY SEVEN AND 63/100 U.S. DOLLARS)

EXPIRATION DATE: July 31, 2021

LOCATION: SANTA CLARA, CALIFORNIA

We hereby issue in your favor this irrevocable Letter of Credit No. _____ which is available by payment with ourselves against presentation of your draft(s) at sight drawn on SILICON VALLEY BANK bearing the clause: "Drawn under credit No. _____ of SILICON VALLEY BANK" accompanied only by this original irrevocable Letter of Credit the following document:

Beneficiary's signed and dated statement stating either one of the following:

(i) "This certifies that ZSCALER, INC. has committed an Event of Default as defined under the Lease dated _____ (Date of Lease), and any amendments thereto, between ZSCALER, INC. and US ER AMERICA 2, LLC"; or

(ii) "ZSCALER, INC. has not furnished US ER AMERICA 2, LLC a replacement unconditional and irrevocable Letter of Credit extending the expiry of this Letter of Credit in accordance with the terms of the Lease dated _____ (Date of Lease), and any amendments thereto, between ZSCALER, INC. and US ER AMERICA 2, LLC."

We agree that we shall have no duty or right to inquire as to the basis upon which beneficiary has determined that the amount is due and owing or has determined to present to us any draft under this letter of credit, and the presentation of such draft in compliance with the terms and conditions of this letter of credit, shall automatically result in payment to the beneficiary.

This irrevocable Letter of Credit sets forth, in full, the terms of our understanding, and such undertaking shall not in anyway be construed as an amendment or modification to any agreement between the Beneficiary and the Applicant.

Partial and Multiple Drawings are permitted.

THIS LETTER OF CREDIT SHALL BE AUTOMATICALLY EXTENDED FOR AN ADDITIONAL PERIOD OF ONE YEAR, WITHOUT AMENDMENT, FROM THE PRESENT OR EACH FUTURE EXPIRATION DATE UNLESS AT LEAST 60 DAYS PRIOR TO THE THEN CURRENT EXPIRATION DATE WE SEND YOU A NOTICE BY REGISTERED MAIL OR OVERNIGHT COURIER SERVICE AT THE ABOVE ADDRESS THAT THIS LETTER OF CREDIT WILL NOT BE EXTENDED BEYOND THE THEN CURRENT EXPIRATION DATE. IN NO EVENT SHALL THIS LETTER OF CREDIT BE AUTOMATICALLY EXTENDED BEYOND JULY 31, 2021.

This irrevocable Letter of Credit shall inure to the benefit of and be binding upon the successors and assigns of SILICON VALLEY BANK, ZSCALER, INC. and US ER AMERICA 2, LLC.

We hereby agree with the beneficiary that the drafts drawn under and in accordance with the terms and conditions of this letter of credit shall be duly honored upon presentation to us on or before the expiration date of this letter of credit.

Except so far as otherwise expressly stated, this irrevocable Letter of Credit is subject to the “Uniform Customs and Practice for Documentary Credits” International Chamber of Commerce Publication No. 600 (2007 Revision).

Authorized Signature

Title

Exhibit 21.1

SUBSIDIARIES OF ZSCALER, INC.

None

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of Zscaler, Inc. of our report dated October 2, 2017, except with respect to our opinion on the consolidated financial statements insofar as it relates to the change in the manner in which the Company accounts for revenue from contracts with customers as discussed in Note 2 to the consolidated financial statements, as to which the date is December 11, 2017, relating to the financial statements, which appears in such Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

San Jose, California
February 16, 2018