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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

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**FORM 10-Q**

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(Mark One)

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

For the quarterly period ended March 31, 2026

OR

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

For the transition period from to

Commission File Number: 001-39135

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**SiTime Corporation**  
(Exact name of registrant as specified in its charter)

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Delaware  
(State or other jurisdiction of  
incorporation or organization)  
**5451 Patrick Henry Drive**  
**Santa Clara, CA**  
(Address of principal executive offices)

**02-0713868**  
(I.R.S. Employer  
Identification No.)

**95054**  
(Zip Code)

**Registrant's telephone number, including area code: (408) 328-4400**

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value per share	SITM	The Nasdaq Stock Market LLC

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

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

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

As of May 1, 2026, the registrant had 26,396,828 shares of common stock, \$0.0001 par value per share, outstanding.

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## RISK FACTORS SUMMARY

Our business is subject to numerous risks, as more fully described in Part II, Item 1A "Risk Factors" below. You should read these risks before you invest in our common stock. We may be unable, for many reasons, including those that are beyond our control, to implement or execute our business strategy. In particular, risks associated with our business include, among others:

- Global macroeconomic conditions have harmed and may continue to harm our business;
- We are subject to the cyclical nature of the semiconductor industry, which can result in over- or under-supply of required electronic components from time to time;
- We have historically depended on a limited number of customers for a significant portion of our revenue; if we are unable to expand or further diversify our customer base, our business, financial condition, and results of operations could suffer, and the loss of, or a significant reduction in orders from our customers, including a large customer or end customer, could significantly reduce our revenue and adversely impact our operating results;
- Because we do not typically have long-term purchase commitments with our customers, orders may be cancelled, reduced, or rescheduled with little or no notice, which in turn exposes us to inventory risk, and may cause our business and results of operations to suffer;
- Our revenue and operating results may fluctuate from period to period due to, among other factors, macroeconomic conditions, cyclical fluctuations in the semiconductor market, customer demand, product life cycles, fluctuations in inventories held by our distributors or end customers, the gain or loss of significant customers, the availability of capacity in our supply chain, research and development costs, the impact of any pandemic, epidemic, or outbreak of disease, on our business as well as our suppliers and customers, and product warranty claims. This in turn could cause our stock price to decline;
- The third parties we rely upon for our raw materials, engineered materials, wafer fabrication and supply, assembly, packaging and testing may be unable to secure raw materials, reduce their resources available to us and our immediate suppliers, not meet satisfactory yields or quality, or increase pricing, which could harm our ability to ship our solutions to our customers on time and in the quantity required which could cause an unanticipated decline in our sales and loss of customers;
- International trade policies, including tariffs, sanctions and trade barriers, may adversely affect our business, financial condition, result of operations and prospects;
- A significant portion of our operations is located outside of the United States, which subjects us to additional risks, including increased complexity and costs of managing international operations and geopolitical instability;
- Our success and future revenue depend on our ability to achieve design wins and to convince our current and prospective customers to design our products into their product offerings, as well as our customers' ability to develop products that achieve market acceptance;
- Our target customer and product markets may not grow or develop as we currently expect, and if we fail to penetrate new markets and scale successfully within those markets, our revenue and financial condition would be harmed;
- If we are not able to successfully introduce and ship in volume new products in a timely manner, our business and revenue will suffer;
- Pandemics, epidemics, or other outbreaks of disease have had and may in the future have an adverse impact upon our business, results of operations, and financial condition, as well as the businesses of our suppliers and customers;

- Our gross margins may fluctuate due to a variety of factors, which could negatively impact our results of operations and our financial condition;
- Our revenue in previous periods may not be indicative of future performance and our revenue may fluctuate over time;
- Our customers require our products and our third-party contractors to undergo a lengthy and expensive qualification process, which does not assure product sales. If we are unsuccessful or delayed in qualifying any of our products with a customer, our business and operating results would suffer;
- We provide a lifetime warranty on our products and may be subject to warranty or product liability claims, which could harm our reputation, result in unexpected expenses, and cause us to lose market share;
- Defects in our products could harm our relationships with our customers and damage our reputation;
- If we fail to compete effectively, we may lose or fail to gain market share, which could negatively impact our operating results and our business;
- We may make acquisitions in the future that could disrupt our business, cause dilution to our stockholders, reduce our financial resources, and harm our business;
- We may not be able to accurately predict our future capital needs, and we may not be able to obtain additional financing to fund our operations;
- We may seek, or be required to seek debt financing;
- Failure to comply with the laws associated with our activities outside of the United States could subject us to penalties and other adverse consequences;
- We are subject to government regulation, including import, export and economic sanctions laws and regulations that may expose us to liability and increase our costs;
- New or future changes to U.S. and non-U.S. tax laws, or tax regulatory authorities disagreeing with our positions and conclusions regarding certain tax positions, could materially adversely affect us;
- Breaches, cyberattacks, or other disruptions to our information technology systems owned or maintained by us or third parties could disrupt our operations, compromise confidentiality of private customer data or our intellectual property, and adversely affect our business, reputation, operations, and financial results;
- We may fail to adequately protect our intellectual property and have received, and may in the future receive, claims of intellectual property infringement, misappropriation, or other claims, which in turn could result in significant expense, result in the loss of significant rights, and harm our relationship with our end customers and distributors;
- We may be impacted by risks associated with the concentration of ownership of a significant portion of our stock, and our other shareholders' ability to influence matters requiring stockholder approval will be limited, which could impact our business and operating results;
- Substantial future sales of our common stock could cause the market price of our common stock to decline; and
- Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.

## PART I—FINANCIAL INFORMATION

## Item 1. Financial Statements.

**SiTime Corporation**  
**Condensed Consolidated Balance Sheets**  
(In thousands, except per share amounts)  
(Unaudited)

	As of	
	March 31, 2026	December 31, 2025
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 498,476	\$ 16,759
Short-term investments in held-to-maturity securities	290,188	791,648
Accounts receivable, net	54,997	45,040
Inventories	91,122	81,557
Prepaid expenses and other current assets	14,433	14,275
Total current assets	949,216	949,279
Property and equipment, net	106,661	105,114
Intangible assets, net	141,572	147,366
Right-of-use assets, net	3,479	4,089
Goodwill	87,098	87,098
Other assets	4,831	1,753
Total assets	\$ 1,292,857	\$ 1,294,699
<b>Liabilities and Stockholders' Equity:</b>		
Current liabilities:		
Accounts payable	\$ 22,914	\$ 21,327
Accrued expenses and other current liabilities	53,168	62,678
Total current liabilities	76,082	84,005
Other non-current liabilities	57,797	54,512
Total liabilities	133,879	138,517
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Common stock, \$0.0001 par value - 200,000 shares authorized; 26,397 and 26,299 shares issued and outstanding at March 31, 2026 and December 31, 2025	3	3
Additional paid-in capital	1,389,096	1,381,083
Accumulated deficit	(230,121)	(224,904)
Total stockholders' equity	1,158,978	1,156,182
Total liabilities and stockholders' equity	\$ 1,292,857	\$ 1,294,699

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

**SiTime Corporation**  
**Condensed Consolidated Statements Of Operations And Comprehensive Loss**  
**(In thousands, except per share amounts)**  
**(Unaudited)**

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Revenue	\$ 113,567	\$ 60,314
Cost of revenue	46,612	29,978
Gross profit	66,955	30,336
Operating expenses:		
Research and development	32,738	30,026
Selling, general and administrative	38,937	26,856
Acquisition related costs	7,619	1,562
Total operating expenses	79,294	58,444
Loss from operations	(12,339)	(28,108)
Interest income	7,310	4,294
Other (expense) income, net	(174)	4
Loss before income taxes	(5,203)	(23,810)
Income tax expense	(14)	(67)
Net loss	\$ (5,217)	\$ (23,877)
Net loss attributable to common stockholders and comprehensive loss	\$ (5,217)	\$ (23,877)
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.20)	\$ (1.01)
Weighted-average shares used to compute basic and diluted net loss per share	26,343	23,653

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

**SiTime Corporation**  
**Condensed Consolidated Statements Of Stockholders' Equity**  
(In thousands)  
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
<b>Balances at December 31, 2025</b>	26,299	\$ 3	\$ 1,381,083	\$ (224,904)	\$ 1,156,182
Stock-based compensation expense	—	—	35,844	—	35,844
Net loss	—	—	—	(5,217)	(5,217)
Issuance of shares upon vesting of restricted stock units, net of tax withholdings	98	—	(27,831)	—	(27,831)
<b>Balances at March 31, 2026</b>	26,397	\$ 3	\$ 1,389,096	\$ (230,121)	\$ 1,158,978
<b>Balances at December 31, 2024</b>	23,598	\$ 2	\$ 881,718	\$ (182,001)	\$ 699,719
Stock-based compensation expense	—	—	30,151	—	30,151
Net loss	—	—	—	(23,877)	(23,877)
Issuance of shares upon vesting of restricted stock units, net of tax withholdings	124	—	(13,479)	—	(13,479)
<b>Balances at March 31, 2025</b>	23,722	\$ 2	\$ 898,390	\$ (205,878)	\$ 692,514

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

**SiTime Corporation**  
**Condensed Consolidated Statements Of Cash Flows**  
(In thousands)  
(Unaudited)

	Three Months Ended March 31,	
	2026	2025
<b>Cash flows from operating activities:</b>		
Net loss	\$ (5,217)	\$ (23,877)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization expense	12,390	9,037
Stock-based compensation expense	30,800	25,046
Net change in unrealized interest on held to maturity securities	4,258	14
Change in fair value of sales-based earnout liability	(1,364)	927
Accretion of acquisition consideration payable	—	634
Inventory write-down	934	1,037
Changes in assets and liabilities:		
Accounts receivable, net	(9,957)	10,095
Inventories	(10,500)	(6,953)
Prepaid expenses and other assets	(1,235)	451
Accounts payable	6,880	(2,673)
Accrued expenses and other liabilities	4,196	1,296
Net cash provided by operating activities	31,185	15,034
<b>Cash flows from investing activities</b>		
Purchase of held to maturity securities	(113,580)	(124,454)
Proceeds from maturity of held to maturity securities	610,782	177,089
Purchase of property and equipment	(13,316)	(16,310)
Cash paid for intangibles	(207)	(132)
Net cash provided by investing activities	483,679	36,193
<b>Cash flows from financing activities</b>		
Tax withholding paid on behalf of employees for net share settlement	(27,831)	(13,479)
Payments for debt financing costs	(1,350)	—
Payment of contingent consideration towards earnouts	(3,966)	(5,013)
Net cash used in financing activities	(33,147)	(18,492)
Net increase in cash and cash equivalents	481,717	32,735
<b>Cash and cash equivalents</b>		
Beginning of period	16,759	6,106
End of period	\$ 498,476	\$ 38,841
<b>Supplemental disclosure of cash flow information</b>		
Income taxes paid	34	83
<b>Supplemental disclosure of noncash investing and financing activities</b>		
Liabilities recorded for property, plant and equipment, net	3,656	13,492
Accrued deferred financing costs	650	—
Right-of-use assets acquired under operating leases	113	405

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

**SiTime Corporation**  
**Notes To Unaudited Condensed Consolidated Financial Statements**

**Note 1. The Company and Basis of Presentation**

SiTime Corporation (the "Company" or "SiTime") was incorporated in the State of Delaware in December 2003. The Company is a leading provider of Precision timing ("Precision Timing") solutions to the global electronics industry, providing the timing functionality that is needed for electronics to operate reliably and accurately. The Company's products have been designed to address a wide range of applications across a broad array of end markets. The Company operates a fabless business model and leverages its global network of distributors to address the broad set of end markets that it serves.

The accompanying interim condensed consolidated financial statements have been prepared in conformity with United States ("U.S.") generally accepted accounting principles ("GAAP") for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X, and should be read in conjunction with the Company's audited consolidated financial statements and related notes thereto filed with the U.S. Securities and Exchange Commission ("SEC") on Form 10-K for the fiscal year ended December 31, 2025. The interim financial statements are unaudited, but reflect all adjustments which are, in the opinion of management, of a normal, recurring nature necessary to provide a fair statement of results for the interim periods presented. The results of operations for the interim periods shown in this report are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2026, for any future year, or for any other future interim period.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The significant areas requiring the use of management estimates and assumptions include revenue recognition, fair value of earnout liabilities, estimate of write-downs for excess and obsolete inventories, and sales reserves. Actual results could differ from those estimates.

**Principles of Consolidation**

The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

**Significant Accounting Policies**

The Company's significant accounting policies are disclosed in the Company's audited consolidated financial statements and related notes thereto included in the Annual Report on Form 10-K for the year ended December 31, 2025. There have been no changes to these accounting policies through March 31, 2026.

**Recent Accounting Pronouncements**

*Recently issued accounting pronouncements not yet adopted*

In November 2024, the FASB issued ASU No. 2024-03, Disaggregation of Income Statement Expenses (Subtopic 220-40). The ASU requires the disaggregated disclosure of specific expense categories, including purchases of inventory, employee compensation, depreciation, and amortization, within relevant income statement captions. This ASU also requires disclosure of the total amount of selling expenses along with the definition of selling expenses. The ASU is effective for annual periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Adoption of this ASU can either be applied prospectively to consolidated financial statements issued for reporting periods after the effective date of this ASU or retrospectively to any or all prior periods presented in the consolidated financial statements. Early adoption is also permitted. This ASU will likely result in the required additional disclosures being included in our consolidated financial statements, once adopted. We are currently evaluating the provisions of this ASU.

**Note 2. Acquisitions**

*Proposed acquisition of certain assets ("Timing business") from Renesas Electronics America Inc. ("Renesas")*

On February 4, 2026, we entered into an asset purchase agreement (the "Asset Purchase Agreement") with Renesas, pursuant to which Renesas will and will cause certain of its affiliates to sell, transfer, assign and convey to SiTime all of their right, title and interest in, to and under certain assets related to the timing business of Renesas Electronics Corporation for an aggregate purchase price of approximately \$1,500.0 million in cash ("Cash Consideration") and 4.13 million shares of our common stock (such consideration, the "Stock Consideration"), subject to certain adjustments as set forth in the Asset Purchase Agreement (the "Acquisition"). As described in greater detail in the Asset Purchase Agreement, the Stock Consideration will be determined based on the volume-weighted average price of our common stock for the period of 10

consecutive trading days ending on the third full trading day prior to the consummation of the Acquisition (the “Closing”), subject to a floor price of \$308.6686 and a ceiling price of \$417.6104, which could result in approximately 3.59 million shares to 4.86 million shares being issued. Mr. Hidetoshi Shibata, CEO of Renesas, will join SiTime’s Board of Directors after the close of the transaction.

The Closing is subject to the satisfaction of certain customary conditions, including the accuracy of each party’s representations and warranties as of the Closing, subject in certain instances, to certain materiality and other thresholds, the performance by each party of its obligations and covenants under the Asset Purchase Agreement in all material respects, the expiration or termination of the applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the receipt of other governmental approvals in certain foreign jurisdictions.

Also on February 4, 2026, in connection with our entry into the Asset Purchase Agreement, we entered into a debt financing commitment letter (the “Commitment Letter”) with Wells Fargo Securities, LLC and Wells Fargo Bank, National Association (collectively, “Wells Fargo”), pursuant to which Wells Fargo has committed to provide us with debt financing to fund a portion of the Cash Consideration in an aggregate principal amount of up to \$900.0 million in the form of a 364-day senior secured bridge loan facility (the “Bridge Facility”), subject to customary conditions. Subject to market conditions and other factors, in lieu of all or a portion of the Bridge Facility, we may fund a portion of the Acquisition consideration through one or more bank financing or capital markets transactions. The consummation of the Acquisition is not conditioned on the availability of the Bridge Facility or any alternative financing. The unamortized portion of the debt issuance costs related to the Bridge Facility and future financing transactions amounting to \$2.0 million is included in "Other assets" in the condensed consolidated balance sheets as of March 31, 2026.

### **Note 3. Fair Value Measurements**

#### *Cash equivalents*

At March 31, 2026 and December 31, 2025, highly liquid money market funds of \$484.6 million and \$0.4 million, respectively, were valued using Level 1 of the fair value hierarchy, quoted prices in active markets for identical assets, and are included in cash equivalents.

#### *Short-term investments in held-to-maturity securities*

As of March 31, 2026 and December 31, 2025, the Company had purchased Treasury Bills with maturities ranging from 3 to 6 months, which the Company intends to hold until maturity and has classified as held-to-maturity securities. The held-to-maturity securities are recorded at amortized cost totaling \$290.2 million including gross accrued interest of \$3.6 million as of March 31, 2026. As of March 31, 2026, the fair value on the held-to-maturity securities was \$290.2 million and the gross unrealized loss was immaterial.

As of December 31, 2025, the amortized cost of the held-to-maturity securities totaled \$791.6 million including gross accrued interest of \$7.8 million. As of December 31, 2025, the fair value and gross unrealized gain on the held-to-maturity securities was \$792.1 million and \$0.5 million, respectively.

These treasury bills were valued using Level 1 of the fair value hierarchy, quoted prices in active markets for identical assets, and are included in short-term investments. The carrying value of our investments is reviewed quarterly for changes in circumstances or the occurrence of events that suggests an investment may not be fully recoverable.

#### *Sales-based earnout liability*

Sales-based earnout is paid based on various multiples of future revenue to be generated through December 31, 2028 from acquired intellectual property. The estimated fair value of the sales-based earnout liability is determined using a Monte Carlo simulation model using significant unobservable fair value inputs and is therefore classified as a Level 3 measurement. The assumptions used in the calculation are based on the revenue projections over the term of the contingent earn-out period, expected volatility, and discount rate. The estimates of fair value are uncertain and changes in any of the estimated inputs used will result in significant adjustments to the fair value. As of March 31, 2026, the Company used a volatility rate of 22%, risk free rate ranging from 3.7% to 3.8%, and an expected term ranging from 0.13 years to 2.63 years.

The following table sets forth a summary of the changes in the fair value of the Company's Level 3 financial liabilities:

	<b>Amount</b>
<b>Fair value as of January 1, 2026</b>	\$ 88,353
Change in the fair value during the year recorded to acquisition related costs	(1,364)
Payments made during the period	(3,966)
<b>Fair value as of March 31, 2026</b>	<u>\$ 83,023</u>

There were no transfers between Level 1, Level 2, and Level 3 categories during any of the periods presented.

#### **Note 4. Balance Sheet Components**

##### **Accounts Receivable, net**

Accounts receivable, net consisted of the following:

	As of	
	March 31, 2026	December 31, 2025
	(in thousands)	
Accounts receivable, gross	\$ 55,047	\$ 45,090
Allowance for credit losses	(50)	(50)
Accounts receivable, net	<u>\$ 54,997</u>	<u>\$ 45,040</u>

##### **Inventories**

Inventories consisted of the following:

	As of	
	March 31, 2026	December 31, 2025
	(in thousands)	
Raw materials	\$ 12,622	\$ 13,572
Work in progress	60,307	47,485
Finished goods	18,193	20,500
Total inventories	<u>\$ 91,122</u>	<u>\$ 81,557</u>

##### **Prepaid Expenses and Other Current Assets**

Prepaid expenses and other current assets consisted of the following:

	As of	
	March 31, 2026	December 31, 2025
	(in thousands)	
Prepaid expenses	\$ 7,164	\$ 6,761
Other current assets	7,269	7,514
Total prepaid expenses and other current assets	<u>\$ 14,433</u>	<u>\$ 14,275</u>

### Property and Equipment, net

Property and equipment, net consisted of the following:

	As of	
	March 31, 2026	December 31, 2025
	(in thousands)	
Lab and manufacturing equipment	\$ 166,507	\$ 158,909
Computer equipment	4,032	3,928
Furniture and fixtures	1,196	1,152
Construction in progress	16,095	15,885
Leasehold improvements	8,234	8,303
	<u>196,064</u>	<u>188,177</u>
Accumulated depreciation	(89,403)	(83,063)
Total property and equipment, net	<u>\$ 106,661</u>	<u>\$ 105,114</u>

Depreciation expense related to property and equipment was \$6.4 million and \$5.1 million for the three months ended March 31, 2026 and 2025, respectively.

### Intangible Assets, net

Intangible assets, net consisted of the following:

	As of					
	March 31, 2026			December 31, 2025		
	(in thousands)					
	Gross Assets	Accumulated Amortization	Net Assets	Gross Assets	Accumulated Amortization	Net Assets
Developed technology	\$ 166,200	\$ (29,910)	\$ 136,290	\$ 166,200	\$ (24,534)	\$ 141,666
Contract based royalty asset	5,900	(3,442)	2,458	5,900	(3,073)	2,827
Purchased software	3,657	(833)	2,824	3,454	(581)	2,873
<b>Total intangible assets</b>	<u>\$ 175,757</u>	<u>\$ (34,185)</u>	<u>\$ 141,572</u>	<u>\$ 175,554</u>	<u>\$ (28,188)</u>	<u>\$ 147,366</u>

Amortization expense for intangible assets was \$6.0 million and \$3.9 million for the three months ended March 31, 2026 and 2025, respectively.

The estimated aggregate future amortization expense for intangible assets subject to amortization as of March 31, 2026 is summarized as below:

	(in thousands)
2026 (remainder)	\$ 17,909
2027	23,545
2028	21,778
2029	19,874
2030	19,815
2031 and beyond	38,651
	<u>\$ 141,572</u>

### Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	As of	
	March 31, 2026	December 31, 2025
	(in thousands)	
Accrued payroll and related benefits	\$ 9,267	\$ 14,007
Revenue reserves	3,024	3,655
Sales-based earnout liability, current	25,821	35,007
Short term lease liability	2,419	2,478
Other accrued expenses	12,637	7,531
Total accrued expenses and other current liabilities	<u>\$ 53,168</u>	<u>\$ 62,678</u>

### Other Non-current Liabilities

Other non-current liabilities consisted of the following:

	As of	
	March 31, 2026	December 31, 2025
	(in thousands)	
Sales-based earnout liability, non-current	\$ 57,202	\$ 53,346
Long term lease liability	537	1,132
Other non-current liabilities	58	34
Total other non-current liabilities	<u>\$ 57,797</u>	<u>\$ 54,512</u>

### Note 5. Leases

The Company leases office space in California, Michigan, Malaysia, Japan, Taiwan, the Netherlands, Finland, Ukraine, and India, all under non-cancellable operating leases with various expiration dates through May 2029.

The remaining lease terms vary from a few months to four years. For certain of its leases the Company has options to extend the lease term for periods varying from one to five years. These renewal options are not considered in the remaining lease term unless it is reasonably certain that the Company will exercise such options. The Company also has variable lease payments that are primarily comprised of common area maintenance and utility charges.

The Company has entered into an operating lease arrangement that has not yet commenced as of March 31, 2026. This lease primarily relates to office facilities in California. As the commencement date has not occurred, the related right-of-use assets and lease liabilities have not been recognized in the condensed consolidated balance sheets as of March 31, 2026. The undiscounted future minimum lease payments under this lease are approximately \$83.2 million.

The table below presents the operating lease-related assets and liabilities recorded on the condensed consolidated balance sheets as of March 31, 2026 and December 31, 2025:

	As of	
	March 31, 2026	December 31, 2025
	(in thousands)	
Right-of-use assets	\$ 3,479	\$ 4,089
Lease liabilities included in accrued expenses and other current liabilities	2,419	2,478
Lease liabilities included in other non-current liabilities	537	1,132
Total operating lease liabilities	<u>\$ 2,956</u>	<u>\$ 3,610</u>
Weighted-average remaining lease term (years)	1.5	1.6
Weighted-average discount rate	5.4%	5.3%

The table below presents certain information related to the lease costs for operating leases for the three months ended March 31, 2026 and 2025:

	Three Months Ended March 31,	
	2026	2025
	(in thousands)	
Operating lease cost	\$ 741	\$ 805
Short-term lease cost	345	505
Variable lease cost	808	1,024
Total lease cost	<u>\$ 1,894</u>	<u>\$ 2,334</u>

Cash paid for operating lease liabilities was \$0.8 million and \$0.8 million for the three months ended March 31, 2026 and 2025, respectively.

### Operating Lease Cash Flows

The table below reconciles the undiscounted cash flows for each of the first five years and total of the remaining years to the operating lease liabilities recorded on the condensed consolidated balance sheet as of March 31, 2026:

	(in thousands)
Remainder of 2026	\$ 2,032
2027	756
2028	221
2029	82
Total minimum lease payments	3,091
Less: amount of lease payments representing interest	(135)
Present value of future minimum lease payments	2,956
Less: current obligations under leases	(2,419)
Long-term lease liabilities	<u>\$ 537</u>

### Note 6. Stockholders' Equity

#### At-The-Market offering

On February 27, 2024, the Company entered into a Sales Agreement ("Sales Agreement"), with Stifel, Nicolaus & Company, Incorporated ("Stifel"), under which the Company may offer and sell from time to time at its sole discretion, up to an aggregate of 1,200,000 shares of its common stock, par value \$0.0001 per share, through Stifel acting as its sales agent.

During the three months ended March 31, 2026 and March 31, 2025, the Company did not sell any shares of its common stock through Stifel under the Sales Agreement.

#### Equity Incentive Plans

The following table summarizes the RSU, performance based restricted stock units ("PRSU"), and multi-year performance restricted stock units ("MYPSU") activity for the three months ended March 31, 2026:

	RSU Number of Shares	Grant Date Fair Value per share	PRSU Number of Shares	Grant Date Fair Value per share	MYPSU Number of Shares	Grant Date Fair Value per share
<b>Unvested at December 31, 2025</b>	682,991	\$ 150.7	312,519	\$ 135.1	285,880	\$ 88.6
Granted	201,282	409.9	149,725	310.5	—	—
Vested	(113,680)	179.6	(53,090)	167.8	—	—
Forfeited	(10,333)	189.6	—	—	—	—
<b>Unvested at March 31, 2026</b>	<u>760,260</u>	<u>\$ 214.4</u>	<u>409,154</u>	<u>\$ 195.0</u>	<u>285,880</u>	<u>\$ 88.6</u>

The following summarizes the number and value of the shares withheld for employee taxes:

	Three Months Ended March 31,	
	2026	2025
	(in thousands, except share data)	
Shares withheld for taxes	68,938	74,833
Amount withheld for taxes	\$ 27,831	\$ 13,479

In February 2026, the Compensation Committee of the Company approved PRSUs for the fiscal year 2026 with performance goals based on the achievement of relative total stockholder return with a three year performance period (the "2026 TSR PRSU Goals"). The grant-date fair value of each PRSU was determined using Monte Carlo simulation model. The assumptions used in the Monte Carlo simulation for the awards included expected volatility of 70.5%, risk free rate of 3.5%, no expected dividend yield and expected term of 2.9 years. The Company recognizes the expense related to the 2026 TSR PRSU Goals on a graded-vesting method over the requisite performance period. These grants are included in the PRSU awards granted in the table above.

### Stock-Based Compensation

The following table presents the detail of stock-based compensation expense amounts included in the condensed consolidated statement of operations for each of the periods presented:

	Three Months Ended March 31,	
	2026	2025
	(in thousands)	
<b>Equity based awards</b>		
Cost of revenue	\$ 526	\$ 632
Research and development	10,301	10,032
Selling, general and administrative	17,847	13,016
	<u>\$ 28,674</u>	<u>\$ 23,680</u>
<b>Liability based awards - to be settled in equity</b>		
Cost of revenue	\$ 64	\$ 68
Research and development	927	650
Selling, general and administrative	1,135	648
	<u>\$ 2,126</u>	<u>\$ 1,366</u>
<b>Total stock-based compensation expense - equity and liability based</b>	<u>\$ 30,800</u>	<u>\$ 25,046</u>
<b>Stock-based compensation expense recorded to additional paid-in capital</b>		
Equity based awards	\$ 28,674	\$ 23,680
Liability based awards - settled in equity	7,170	6,475
Stock-based compensation expense capitalized to inventory	—	(4)
<b>Total stock-based compensation expense recorded to additional paid-in capital</b>	<u>\$ 35,844</u>	<u>\$ 30,151</u>

The following table presents the unrecognized compensation costs and related weighted average period of recognition as of March 31, 2026:

	Unrecognized Compensation Costs (in millions)	Weighted Average Period of Recognition (in years)
RSUs	\$ 135.8	2.1
PRSUs	\$ 55.5	1.5
Liability-based awards	\$ 10.6	0.7

#### Note 7. Income Taxes

The quarterly provision for income taxes is based on applying the estimated annual effective tax rate to the year to date pre-tax income, plus any discrete items. The Company updates its estimate of its annual effective tax rate at the end of each quarterly period. The estimate takes into account annual forecasted income before income taxes, the geographic mix of income before income taxes and any significant permanent tax items.

The following table presents the provision for income taxes and the effective tax rates for the three months ended March 31, 2026 and 2025:

	Three Months Ended March 31,	
	2026	2025
	(in thousands)	
Loss before income taxes	\$ (5,203)	\$ (23,810)
Income tax expense	(14)	(67)
Effective tax rate	0.3%	0.3%

The Company's effective tax rate may vary from the U.S. federal statutory tax rate due to the change in the mix of earnings in tax jurisdictions with different statutory rates, benefits related to tax credits and the tax impact of non-deductible expenses, existence of full valuation allowance on its deferred tax assets, and other permanent differences between income before income taxes and taxable income.

A valuation allowance is established or maintained when, based on currently available information and other factors, it is more likely than not that all or a portion of the deferred tax assets will not be realized. The Company regularly assesses its valuation allowance against deferred tax assets on a jurisdiction by jurisdiction basis. The Company considers all available positive and negative evidence, including future reversals of temporary differences, projected future taxable income, tax planning strategies and recent financial results. Based on management's assessment of the realizability of deferred tax assets, the Company continues to maintain a full valuation allowance on its deferred tax assets as of March 31, 2026.

The income tax provision was immaterial for both the three months ended March 31, 2026 and 2025. The provision for income taxes is primarily related to the foreign subsidiaries' local country obligations. The U.S. effective tax rate is less than 1% and is due to minimum state tax. There is no federal provision for income taxes as the Company has sufficient carryforward of net operating losses to offset any operating income earned since inception and has projected an operating loss in the current year.

As of March 31, 2026 and December 31, 2025, the Company had \$2.5 million of total unrecognized tax benefits. If the Company is able to eventually recognize these uncertain tax positions, none of the unrecognized benefits would reduce the Company's effective tax rate due to the full valuation allowance on the Company's deferred tax assets.

The Company's policy is to record interest and penalties related to unrecognized tax benefits as income tax expense. For the three months ended March 31, 2026 and 2025, the Company recorded immaterial amounts related to the accrual of interest and penalties.

#### Note 8. Segment, Geographic and Customer Information

The Company operates in one reportable segment related to the design, development, and sale of Precision Timing solutions to the global electronics industry.

The accounting policies of the Company's single segment and key performance measures used by the Chief Executive Officer, who is the Chief Operating Decision Maker, to assess the performance of the Company are the same as those

described within Note 1 and Note 11 of the Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on February 11, 2026.

The table below provides information about the Company's revenue, significant segment expenses and other segment expenses.

	Three Months Ended March 31,	
	2026	2025
	(in thousands)	
Revenue	\$ 113,567	\$ 60,314
Less:		
Product costs	30,316	18,264
Depreciation	4,343	3,200
Amortization	5,751	3,579
Other manufacturing overheads	6,202	4,935
Gross profit	66,955	30,336
Less:		
Acquisition related costs	7,619	1,562
Interest income	(7,310)	(4,294)
Other segment items <sup>(a)</sup>	71,863	56,945
Net loss	\$ (5,217)	\$ (23,877)

<sup>(a)</sup>Other segment items include research and development expenses and selling, general and administrative expenses, primarily in the nature of nonmanufacturing expenses including salaries and stock-based compensation for employees, consulting expenses, depreciation and amortization expenses, certain other expenses, and taxes.

## Note 9. Commitments and Contingencies

### Legal Matters

From time to time, the Company may be a party to various litigation claims in the normal course of business. Legal fees and other costs associated with such actions are expensed as incurred. The Company assesses, in conjunction with legal counsel, the need to record a liability for litigation and contingencies. Accrual estimates are recorded when and if it is determined that such a liability for litigation and contingencies are both probable and reasonably estimable. We did not have any amounts accrued towards these matters as of March 31, 2026.

### Indemnification

The Company is a party to a variety of agreements pursuant to which it may be obligated to indemnify other parties to such agreements with respect to certain matters. Typically, these obligations arise in the context of contracts that the Company has entered into, under which the Company customarily agrees to hold the other party harmless against losses arising from a breach of representations and covenants or terms and conditions related to such matters as the sale and/or delivery of its products, title to assets sold, certain intellectual property claims, defective products, and specified environmental matters. Further, the Company's obligations under these agreements may be limited in terms of time, amount, or the scope of its responsibility and in some instances, the Company may have recourse against third-parties for certain payments made under these agreements. It is not possible to predict the maximum potential amount of future payments under these agreements due to the conditional nature of the Company's obligations and the unique facts and circumstances involved in each particular agreement. Historically, the Company has had no material indemnification claims under these agreements.

### Purchase Commitments

The Company purchases components from a variety of suppliers and uses several contract manufacturers to provide manufacturing services for its products. During the normal course of business, in order to manage manufacturing lead times and to help ensure adequate component supply, the Company enters into agreements with the Company's contract manufacturers and suppliers that allow them to procure inventory based upon criteria as defined by the Company. In addition, the Company has a multi-year agreement to purchase minimum quantities of micro-electro-mechanical systems ("MEMS") wafers and is responsible for research and development, tooling, and samples cost under the agreement. A portion of the Company's reported purchase commitments arising from these agreements consists of firm, non-cancelable purchase commitments. In certain instances, these agreements allow the Company the option to cancel, reschedule, and

adjust the Company's requirements based on its business needs prior to when production starts. However, in situations where the Company is unable to cancel, reschedule, or adjust the purchase commitment due to changing customer demand, excess inventories could result in material inventory provisions. Total future non-cancelable purchase commitments as of March 31, 2026 were as follows:

	(in thousands)	
Remainder of 2026	\$	13,136
2027		9,448
2028		8,098
Total	\$	<u>30,682</u>

#### Note 10. Net Loss Per Share

The following table summarizes the computation of basic and diluted net loss per share attributable to common stockholders of the Company:

	Three Months Ended March 31,	
	2026	2025
	(in thousands, except per share data)	
Net loss attributable to common stockholders	\$ (5,217)	\$ (23,877)
Weighted average shares used to compute basic and diluted net loss per share	26,343	23,653
Net loss attributable to common stockholders per share, basic and diluted	\$ (0.20)	\$ (1.01)

Potential dilutive securities include dilutive common shares from share-based awards attributable to the restricted stock unit awards calculated using the treasury stock method. Under the treasury stock method, potential common shares outstanding are not included in the computation of diluted net income per share if their effect is anti-dilutive.

Anti-dilutive potential shares from share-based awards are excluded from the calculation of diluted earnings per share if either their exercise price exceeded the average market price during the period, or the share-based awards were determined to be anti-dilutive based on applying the treasury stock method. During the three months ended March 31, 2026 and 2025, the Company had 515,319 and 468,358 potential shares from restricted stock units that are anti-dilutive, respectively.

## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with the Condensed Consolidated Financial Statements and the related notes that appear elsewhere in this document.

The information in this Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which are subject to the “safe harbor” created by those sections. We may, in some cases, use words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “objective,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “would,” or the negative of those terms, and similar expressions that convey uncertainty of future events or outcomes to identify these forward-looking statements. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. Forward-looking statements in this report include, but are not limited to, statements about:

- our plans to focus on oscillators, clock ICs, resonators and timing synchronization solutions and to aggressively expand our presence in these markets;
- our expectations regarding our ability to address market and customer demands and to timely develop new or enhanced solutions to meet those demands;
- anticipated trends, challenges and growth in our business and the markets in which we operate, including pricing expectations;
- our expectations regarding our revenue, average selling prices, gross margin, and expenses;
- our expectations regarding the effects of macroeconomic events in 2026;
- our expectations regarding dependence on a limited number of customers and end customers;
- our customer relationships and our ability to retain and expand our customer relationships and to achieve design wins;
- our expectations regarding the success, cost, and timing of new products;
- the size and growth potential of the markets for our solutions, and our ability to serve and expand our presence in those markets;
- our plans to expand sales and marketing efforts through increased collaboration with our distributors and contracted sales representatives, and our plans to grow direct online sales through our self-service online store;
- our expectations to identify new customers and deliver differentiated Precision Timing solutions to them through digital marketing strategies;
- our goal to become the leading provider of Precision Timing solutions for advanced and challenging applications;
- our positioning of being designed into current systems as well as future products;
- our belief that our advanced packaging designs can enable the smallest footprints in the industry;
- our expectations regarding competition in our existing and future markets;
- our expectations of the success of our acquisitions and how we integrate and generate revenue;
- the impact a pandemic, epidemic, or other outbreak of disease may in the future have on our business, results of operations and financial condition, as well as the businesses of our suppliers and customers;
- our expectations regarding regulatory developments in the United States and foreign countries;
- our expectations regarding the performance of, and our relationships with, our third-party suppliers and manufacturers;

- our expectations regarding our and our customers' ability to respond successfully to technological or industry developments;
- our expectations regarding our ability to attract and retain key personnel;
- our expectations regarding intellectual property and related litigation;
- our belief as to the sufficiency of our existing cash and cash equivalents and short-term investments funds to meet our cash needs for at least the next 12 months and our future capital requirements over the longer term;
- the adequacy and availability of our leased facilities; and
- the accuracy of our estimates regarding capital requirements and needs for additional financing.

These forward-looking statements reflect our management's beliefs and views with respect to future events and are based on estimates and assumptions as of the date of this report and are subject to risks and uncertainties. We discuss many of these risks in greater detail in Part II, Item 1A "Risk Factors" of this report. Moreover, we operate in a very competitive and rapidly changing environment. 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. Given these uncertainties, you should not place undue reliance on these forward-looking statements. We qualify all of the forward-looking statements in this report by these cautionary 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 report to conform these statements to actual results or to changes in our expectations, except as required by law.

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

## **Overview**

The ability to accurately measure and reference time has been essential to humankind's greatest inventions and technological advances. Timing technology has continued to evolve over centuries, underpinning broader technological evolution and is the heartbeat of digital electronic systems. Timing ensures that the system runs smoothly and reliably by providing and distributing clock signals to various critical components such as central processing units, communication and interface ICs, and radio frequency components. As electronics evolve to deliver higher performance, connectivity, and intelligence, even in increasingly challenging environments, while also being more complex and size-constrained, we believe they will require more sophisticated semiconductor-based timing solutions that cannot be developed in legacy quartz crystal-based technologies. Precision timing, a category that SiTime created ("Precision Timing") fills this need with the performance, resilience, reliability, power, size, and cost that is required by these applications.

We are a leading provider of Precision Timing solutions to the global electronics industry. Our Precision Timing products are the heartbeat of our customers' electronic systems, providing the timing functionality that is needed for electronics to operate reliably and accurately. We provide Precision Timing solutions that are differentiated by high performance, high resilience, and high reliability, along with programmability, small size, and low power consumption. Our products have been designed into over 400 applications across our target markets, including artificial intelligence ("AI") systems, datacenter, communications, and enterprise, automotive, industrial, aerospace, defense, mobile, Internet of Things ("IoT"), and consumer. Our current solutions include various types of oscillators, as well as clock integrated circuits ("ICs"), resonators, and synchronization software.

We believe that the total timing market is approximately \$11 billion in size and growing. Since our founding, we have focused on the high-end portion of the market, i.e. Precision Timing. Historically, our revenue has been substantially

derived from sale of oscillator systems across our target end markets. In the past, we have benefitted from the strong growth in AI datacenter deployments.

Our all-silicon solutions are based on four fundamental areas of technical expertise: micro-electro-mechanical systems (“MEMS”), analog mixed-signal design, and advanced system-level integration and software. This expertise, along with the knowledge of our customers' systems, gives our products a significant edge as we address customers' complex timing problems. In this aspect, we believe we are different than quartz-based oscillator and resonator providers, who typically have expertise in designing and manufacturing resonator components, but usually outsource the analog circuit design and packaging. We also have a deep understanding of the mechanical, electrical, and thermal properties of materials, which is a key requirement for developing our proprietary MEMS processes. To maximize MEMS first-silicon success, we have also developed our own MEMS simulation tools. We are also different in that our MEMS resonators are made using semiconductor technology which has significant benefits in features, performance, manufacturing, and cost, while the quartz resonator and oscillator suppliers use quartz crystal material.

Compared to traditional clock IC suppliers, we are different in that we design the resonator in-house and can integrate it into the clock IC package. Our analog/mixed-signal die are developed using industry-standard processes and deliver high levels of performance using programmable phase-locked loops, temperature sensors, regulators, data converters, drivers and other building blocks. Unlike most clock IC vendors, we do not rely on quartz vendors to provide the quartz resonator clock reference that is required for their clock ICs to function. Our expertise creates supply chain advantages for us and most importantly, enables us to design and build complete timing systems that result in performance advantages, providing a complete solution to the customer.

Today's newer applications are driving the need for faster connectivity and lower latency, even when the electronics is subject to non-ideal conditions. Our Precision Timing solutions are designed to be resilient to such harsh environmental stressors which provides a benefit to our customers. For example, AI Infrastructure equipment is becoming more dense, and is subject to rapid temperature changes within the system, but still needs to deliver maximum performance and reliability. In the communications market, a 5G small cell radio mounted on a pole next to a road or rail line is subject to vibration of passing heavy trucks or trains. These conditions make our Precision Timing solutions a natural choice in such applications. Our solutions are also utilized in automotive electronics, including advanced driver assistance systems for self-driving cars, which require increased timing accuracy. For the industrial market, our products offer programmability and high reliability for the diverse operating conditions of industrial equipment, including high temperatures, mechanical shock, and vibration. For the aerospace and defense market, our solutions provide high reliability and lower acceleration sensitivity for end products that operate in rugged conditions. For the mobile, IoT and consumer market, our timing solutions offer high performance at optimal power consumption and size, as our customers fit more functionality into smaller devices.

In all of these markets, the trend for increased data transfer at higher speeds and demand for lower latency continues to grow. This requires higher levels of performance in timing and synchronization. Additionally, as electronics continue to proliferate in all industries and areas of our daily life, digital devices are increasingly subjected to less controlled environments, making resiliency to environmental stressors ever more important. These industry trends place higher demands on timing components, increasing the importance of resilient and reliable Precision Timing.

SiTime is now a key provider of all differentiated products in timing - oscillators, clocks, and resonators combined synchronization software and deep engineering expertise in Precision Timing solutions.

We sell our products primarily through distributors, who in turn sell to our end customers. We also sell products directly to some of our end customers. We leverage our global network of distributors to address the broad set of end markets we serve. For our largest accounts, dedicated sales personnel work with the end customer to ensure that our solutions fully address the end customer's timing needs. Our smaller customers can select the optimum timing solution for their needs by working directly with our sales personnel or distributors or by shopping on our online store, SiTimeDirect™.

We operate a fabless business model, where we outsource manufacturing to semiconductor industry suppliers, which allows us to focus on, and excel in, the design, marketing, and sales of our products. A fabless infrastructure gives us production flexibility and the ability to scale capacity up and down to meet demand. While this model allows us to operate with lower capital expenditure investment than other semiconductor companies that own fabrication plants ("fabs"), we may be required to make such investments from time to time primarily to strengthen our supply chain and optimize our costs. These investments could put downward pressure on our gross margins if demand for our products does not materialize as expected. Further, this model could also subject us to supply constraints, when demand for our products is higher than anticipated, resulting in increased costs and impacting our gross margins. Our programmable architecture also plays a key role in ensuring optimal production flexibility. In contrast to products offered by traditional timing device suppliers, our products are batch produced and then custom programmed to customer needs, allowing us to offer shorter lead times and the ability to meet custom requirements more easily.

## Results of Operations

### Revenue

We derive revenue primarily from sales of Precision Timing solutions to distributors. We also sell products directly to some of our end customers. Our sales are made pursuant to standard purchase orders which may be cancelled, reduced, or rescheduled, with little or no notice. We recognize product revenue upon shipment when we satisfy our performance obligations as evidenced by the transfer of control of our products to customers. We measure revenue based on the amount of consideration we expect to be entitled to in exchange for products.

	Three Months Ended March 31,		Change	
	2026	2025	\$	%
	(in thousands except percentage)			
Revenue	\$ 113,567	\$ 60,314	\$ 53,253	88 %

Revenue increased by \$53.3 million, or 88%, for the three months ended March 31, 2026 compared to the same period in the prior year primarily driven by demand for our products in the AI and datacenter applications. The increase was primarily related to an increase in average selling prices of our products due to change in mix of the products we shipped as well as an increase in sales volume.

Our top three customers by revenue, which are distributors, together accounted for approximately 66% and 64% of our revenue for the three months ended March 31, 2026 and 2025, respectively. Revenue attributable to our largest ten end customers accounted for 67% and 64% for the three months ended March 31, 2026 and 2025, respectively. Our end customers predominantly purchase our products from distributors.

### Cost of Revenue, Gross Profit, and Gross Margin

Cost of revenue consists of wafers acquired from third-party foundries, assembly, packaging, and test cost of our products paid to third-party contract manufacturers, amortization of acquired intangibles and personnel and other costs associated with our manufacturing operations. Cost of revenue also includes depreciation of production equipment, inventory write-downs, shipping and handling costs, and allocation of overhead and facility costs. We also include credits for rebates received from third-party contract manufacturers in cost of revenue.

	Three Months Ended March 31,		Change	
	2026	2025	\$	%
	(in thousands except percentage)			
Cost of Revenue	\$ 46,612	\$ 29,978	\$ 16,634	55%
Gross Profit	\$ 66,955	\$ 30,336	\$ 36,619	121%
Gross Margin	59.0%	50.3%		

Gross profit increased by \$36.6 million in the three months ended March 31, 2026 compared to the same period in the prior year. Gross profit increased \$41.1 million mainly from higher revenue which was partially offset by higher other manufacturing and overhead costs of \$2.4 million, consisting of depreciation and amortization, and charges associated with inventory write-downs, and higher amortization from acquired intangibles of \$2.2 million.

Gross margin was higher by 8.7% in the three months ended March 31, 2026 compared to the same period in the prior year. The gross margins increased by 4.9% due to impact of leverage from higher revenue, 3.1% due to a change in the mix of products shipped, and 0.6% due to lower stock-based compensation cost.

Gross margin may fluctuate from time to time due to a variety of factors. For additional discussion please see Part II, Item 1A "Risk Factors" of this report, especially the risk factor titled "Our gross margins may fluctuate due to a variety of factors, which could negatively impact our results of operations and our financial condition."

### Operating Expenses

Our operating expenses consist of research and development, selling, general and administrative expenses, and acquisition related costs. Personnel costs are the most significant component of our operating expenses and consist of salaries, benefits,

bonuses, stock-based compensation, and commissions. Our operating expenses also include consulting costs, allocated costs of facilities, information technology and depreciation.

	Three Months Ended March 31,		Change	
	2026	2025	\$	%
(in thousands except percentage)				
<b>Operating Expenses:</b>				
Research and development	\$ 32,738	\$ 30,026	\$ 2,712	9%
Selling, general and administrative	38,937	26,856	12,081	45%
Acquisition related costs	7,619	1,562	6,057	388%
<b>Total operating expenses</b>	<b>\$ 79,294</b>	<b>\$ 58,444</b>	<b>\$ 20,850</b>	<b>36%</b>

### ***Research and Development***

Our research and development efforts are focused on the design and development of Precision Timing solutions. Our research and development expense consists primarily of personnel costs, pre-production engineering mask costs, software license expenses, design tools and prototype-related expenses, facility costs, supplies, professional and consulting fees, and allocated overhead costs, which may be offset by non-recurring engineering contra-expenses recorded in certain periods. There is no assurance that we will have non-recurring engineering contra-expense from period to period. We expense research and development costs as incurred. We believe that continued investment in our products and services is important for our future growth and acquisition of new customers and, as a result, we expect our research and development expenses to continue to increase in absolute dollars. However, we expect our research and development expenses to fluctuate as a percentage of revenue from period to period depending on the timing of these expenses.

Research and development expense increased by \$2.7 million, or 9%, for the three months ended March 31, 2026, compared to the same period in the prior year, primarily due to an increase in higher other personnel costs of \$2.3 million and increase in headcount resulting in higher stock-based compensation expense of \$0.5 million.

### ***Sales, General and Administrative***

Sales, general and administrative expense consists of personnel costs, professional and consulting fees, accounting and audit fees, legal costs, field application engineering support, travel costs, advertising expenses, and allocated overhead costs. We expect sales, general and administrative expenses to continue to increase in absolute dollars as we increase our personnel and grow our operations, although it may fluctuate as a percentage of revenue from period to period depending on the timing of these expenses.

Selling, general and administrative expense increased by \$12.1 million, or 45%, for the three months ended March 31, 2026, compared to the same period in the prior year, primarily due to an increase in headcount resulting in higher stock-based compensation expense of \$5.6 million, higher other personnel costs of \$2.6 million, higher sales commissions payouts from higher sales of \$2.2 million, higher consulting and legal fees of \$0.9 million, and higher travel costs of \$0.4 million.

### ***Acquisition related costs***

Acquisition related costs include legal, regulatory, consulting, and other costs incurred towards the proposed acquisition of Renesas' timing business, and also include changes in the fair value of the sales-based earnout liability related to our prior acquisition.

Acquisition related costs increased by \$6.1 million, or 388%, for the three months ended March 31, 2026, primarily due to one-time costs of \$9.0 million incurred towards the acquisition of Renesas' timing business, offset by lower accretion of earnouts by \$2.3 million due to lower remaining amount payable.

We expect to incur incremental costs in 2026 and beyond as the Acquisition closes, as well as arising from changes in the fair value of the sales-based earnout liability.

## Interest Income

Interest income consists primarily of interest income on short term investments.

	Three Months Ended March 31,		Change	
	2026	2025	\$	%
	(in thousands except percentage)			
Interest Income	\$ 7,310	\$ 4,294	\$ 3,016	70%

Interest income increased by \$3.0 million or 70% for the three months ended March 31, 2026, compared to the same period in the prior year due to an increase in average investment balance during the period, through funds raised in the follow-on public offering in June 2025, partially offset by lower interest rates.

## Other (Expense) Income, net

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

	Three Months Ended March 31,		Change	
	2026	2025	\$	%
	(in thousands except percentage)			
Other (expense) income, net	\$ (174)	\$ 4	\$ (178)	(4450%)

Other (expense) income, net, decreased by \$0.2 million for the three months ended March 31, 2026, compared to the same period in the prior year primarily due to net unrealized losses on foreign exchange rates from activities in our foreign subsidiaries resulting from exchange rate fluctuations.

## Income Tax Expense

Income tax expense consists primarily of state income taxes and income taxes in certain foreign jurisdictions in which we conduct business. We have a full valuation allowance for deferred tax assets as the realization of the full amount of our deferred tax asset is uncertain, including net operating loss ("NOL") carryforwards, and tax credits related primarily to research and development. We expect to maintain this full valuation allowance until realization of the deferred tax assets becomes more likely than not.

	Three Months Ended March 31,		Change	
	2026	2025	\$	%
	(in thousands except percentage)			
Income tax expense	\$ (14)	\$ (67)	\$ 53	(79%)

## Liquidity and Capital Resources

As of March 31, 2026 and December 31, 2025, we had cash and cash equivalents of \$498.5 million and \$16.8 million, respectively. As of March 31, 2026 and December 31, 2025, we also held \$290.2 million and \$791.6 million of short-term investments, respectively, in held-to-maturity securities that consisted of treasury bills. Our principal use of cash is to fund our operations, to support growth through capital investments, and to acquire complementary businesses, products, services or technologies in the future.

In February 2024, we entered into a Sales Agreement with Stifel, under which we may offer and sell from time to time at our sole discretion, up to an aggregate of 1,200,000 shares of our common stock, par value \$0.0001 per share, through Stifel as our sales agent. We used the net proceeds from the shares of common stock offered and sold to replenish funds expended to satisfy anticipated tax withholding and remittance obligations related to the net settlement upon vesting of restricted stock unit awards ("RSU") granted to employees under the equity incentive plans. During the three months ended March 31, 2026, we did not sell any shares of its common stock through Stifel under the Sales Agreement.

Also on February 4, 2026, in connection with our entry into the Asset Purchase Agreement, we entered into a debt financing commitment letter with Wells Fargo Securities, LLC and Wells Fargo Bank, National Association, pursuant to which Wells Fargo has committed to provide us with debt financing to fund a portion of the Cash Consideration in an aggregate principal amount of up to \$900.0 million in the form of a 364-day senior secured bridge loan facility ("Bridge

Facility"). Subject to market conditions and other factors, in lieu of all or a portion of the Bridge Facility, we may fund a portion of the Acquisition consideration through one or more bank financing or capital markets transactions.

Our purchase obligations primarily include non-cancelable purchase commitments from agreements with our contract manufacturers as well as a multi-year purchase agreement with commitment to purchase minimum quantities of MEMS wafers and research and development, tooling and sample cost under the agreement, and design and simulation licenses. For information about our contractual obligations refer to "Note 5 - Leases" and "Note 9 - Commitments and Contingencies" of the Notes to Condensed Consolidated Financial Statements for the period ended March 31, 2026.

We expect to continue our investing activities to support growth, primarily through the purchase of property and equipment, intellectual property licenses, and capitalized software, to support research and development, sales and marketing, product support, and administrative staff.

We believe that our existing cash and cash equivalents and our short-term investments, along with the funds we may plan to raise for our Asset Purchase Agreement, will be sufficient to meet our cash needs for at least the next 12 months. Over the longer term, our future capital requirements will depend on many factors, including our growth rate, the timing and extent of our sales and marketing and research and development expenditures, costs to acquire or invest in complementary businesses and technologies, payment obligations associated with our completed acquisitions based on achievement of certain milestones, and the continuing market acceptance of our solutions.

In the event that we need to borrow funds or issue additional equity, we cannot provide any assurance that any such additional financing will be available on terms acceptable to us, if at all. If we are unable to raise additional capital when we need it, it would harm our business, results of operations and financial condition.

The table below summarizes our cash flows for the periods indicated:

	Three Months Ended March 31,	
	2026	2025
	(in thousands)	
Net cash provided by operating activities	\$ 31,185	\$ 15,034
Net cash provided by investing activities	483,679	36,193
Net cash used in financing activities	(33,147)	(18,492)
Net increase in cash and cash equivalents	\$ 481,717	\$ 32,735

#### ***Operating Activities***

In the three months ended March 31, 2026, net cash provided by operating activities of \$31.2 million was primarily due to a net loss of \$5.2 million, offset by non-cash expenses of \$47.0 million and change in operating assets and liabilities of \$10.6 million. Non-cash expenses were mainly related to stock-based compensation expense, depreciation and amortization, change in fair value of sales based earnout liability, inventory write-down and net change in unrealized interest on held to maturity investments. The changes in operating assets and liabilities resulted in cash generated primarily due to an increase in accounts payable and accrued expenses primarily due to timing of accrued payroll and related benefit payments, partially offset by an increase in our accounts receivables due to timing of shipments, an increase in inventories as we built our wafer inventory levels, and an increase in prepaid expenses and other assets due to timing of payment to vendors.

#### ***Investing Activities***

Our investing activities consist primarily of purchase and maturities of short-term investments as well as capital expenditures for property and equipment purchases. Our short-term investments were primarily in treasury bills to earn interest. Our capital expenditures for property and equipment have primarily been for general business purposes, including machinery and equipment, leasehold improvements, acquired software, computer equipment used internally, and production masks to manufacture our products.

In the three months ended March 31, 2026, net cash provided by investing activities was \$483.7 million. We generated proceeds of \$610.8 million from maturities of the short-term investments in held-to-maturity securities. These proceeds were offset by payments of \$113.6 million to purchase short-term investments in held-to-maturity securities and \$13.5 million to purchase manufacturing equipment and intangibles to support the general business operations.

#### ***Financing Activities***

Our financing activities primarily consisted of payments of withholding taxes on RSUs, and payment of earnouts. During the three months ended March 31, 2026, we did not sell any shares of our common stock through Stifel under the Sales

Agreement. We paid tax withholdings on behalf of employees for net share settlement of \$27.8 million, earnouts of \$4.0 million related to the Aura transaction, and \$1.4 million towards debt issuance costs relating to the Bridge Facility.

### **Critical Accounting Estimates**

Our condensed consolidated financial statements have been prepared in accordance with GAAP. The preparation of these financial statements and accompanying disclosures requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities in the consolidated financial statements and the accompanying notes. The Securities and Exchange Commission (the "SEC"), has defined a company's critical accounting estimates as estimates that are most important to the portrayal of a company's financial condition and results of operations, and which require a company to make its most difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. Based on this definition, we have identified our most critical accounting estimates to be as follows: (1) revenue recognition (2) business combinations, and (3) inventory. Although we believe that our estimates, assumptions, and judgments are reasonable, they are based upon information not presently available. Actual results may differ significantly from these estimates if the assumptions, judgments, and conditions upon which they are based turn out to be inaccurate. Management believes that there have been no significant changes to the items that we disclosed as our critical accounting estimates in Management's Discussion and Analysis of Financial Condition and Results of Operations, in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on February 11, 2026.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

#### ***Foreign Currency Risk***

Substantially all of our revenue is denominated in U.S. dollars. Our expenses are generally denominated in the currencies in which our operations are located, which is primarily in the United States and, to a lesser extent, in Finland, France, Germany, India, Japan, Korea, Malaysia, the Netherlands, Singapore, Taiwan, and Ukraine. Our results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign exchange rates. The effect of a hypothetical 10% change in foreign currency exchanges rates applicable to our business would not have a material impact on our historical consolidated financial statements. We do not currently have a hedging program with respect to foreign currency exchange risk.

#### ***Interest Rate Risk***

We had cash and cash equivalents of \$498.5 million and \$16.8 million as of March 31, 2026 and December 31, 2025, respectively, consisting of bank deposits, money market funds and treasury bills. We also had short-term investments in held-to-maturity securities of \$290.2 million and \$791.6 million consisting of treasury bills as of March 31, 2026 and December 31, 2025. Such interest-earning instruments carry a degree of interest rate risk. During the three months ended March 31, 2026, we have generated \$7.3 million in interest income through our investment balance.

We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure. As of March 31, 2026, a hypothetical 10% increase or decrease in market interest rates would change the fair value and related interest income on our interest-earning instruments of \$290.2 million, by an increase or decrease of approximately \$0.7 million for the three months ended March 31, 2026.

### **Item 4. Controls and Procedures.**

#### **Evaluation of Disclosure Controls and Procedures**

We maintain "disclosure controls and procedures," as such term is defined in Rules 13a-15(e) and 15d – 15(e) under the Exchange Act, that are designed to provide reasonable assurance that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), as appropriate, to allow for timely decisions regarding required disclosure.

Our management, including our principal executive and chief executive officer, does not expect that our disclosure controls and procedures or our internal controls, will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of

controls can provide absolute assurance that all control issues and instances of fraud, if any, within SiTime have been detected.

Based on their evaluation as of the end of the period covered by this Quarterly Report on Form 10-Q, our Chief Executive Officer and Chief Financial Officer have concluded that, as of such date, our disclosure controls and procedures were effective.

**Changes in Internal Control Over Financial Reporting**

There have been no changes in our internal control over financial reporting during the three months ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings.

The information required by this item is included in Note 9 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q and is incorporated herein by reference.

### Item 1A. Risk Factors.

#### Risks Related to Our Business and Our Industry

##### *Global macroeconomic conditions have harmed and may continue to harm our business.*

We are a global company and therefore our business, results of operations, and financial condition are impacted by global macroeconomic conditions. Macroeconomic events such as rising inflation, recession, equity market volatility, geopolitical tensions, war, declines in income or asset values, decreased spending, changes to fuel and other energy costs, public health crises, supply chain disruptions, ongoing changes to U.S. trade policies, and uncertainty related thereto and responses by foreign governments to such policies, and global banking concerns have caused economic volatility, which has and may continue to harm our business, financial condition, and results of operations, and may cause an extended downturn in the worldwide economy, which would further harm our business, financial condition and results of operations. Tariffs and escalations of trade tensions may result in long-term impact to global trade. In addition, geopolitical conflicts, such as the current conflict in the Middle East, may disrupt trade routes and supply chains. Economic volatility and adverse economic conditions have affected and may continue to affect the demand for our products and our customers' products. Reduced demand for our customers' products may lead to a buildup of inventory at many of our customers, including distributors, and their affiliates, partners, and contract manufacturers, which may adversely affect demand for our products. Reduced demand for our products could result in significant decreases in our sales and margins, and could materially harm our results of operations. The future effects of macroeconomic events on our business and results of operations, including inventory levels at our customers and their affiliates, partners, and contract manufacturers as well as demand for our products, are uncertain and difficult to predict.

A deterioration in credit markets as a result of macroeconomic events could also limit our ability to obtain external financing to fund our operations and capital expenditures. We may experience losses on our holdings of cash and investments due to failures of financial institutions and other parties. Further, adverse economic conditions may also result in a higher rate of losses on our accounts receivable due to credit defaults. As a result, global macroeconomic conditions have had and may continue to have a material adverse effect on our business, results of operations, and financial condition.

##### *We are subject to the cyclical nature of the semiconductor industry, which can result in over- or under-supply of required electronic components from time to time.*

The semiconductor industry is highly cyclical and is characterized by constant and rapid technological change, rapid product obsolescence, price erosion, evolving standards, short product life cycles, and wide fluctuations in product supply and demand, such as the current supply constraints related to the memory hardware. From time to time, these factors, together with changes in macroeconomic conditions, can cause significant upturns and downturns in the semiconductor industry, and in our business. For example, if our customers are unable to procure necessary memory hardware, they may be unable to manufacture or ship their systems in a timely manner, which could reduce demand for our products and adversely affect our revenue and operating results. Downturns in the semiconductor industry have been characterized by diminished product demand, production overcapacity, high inventory levels for us and our customers, and erosion of average selling prices. For example, in 2023 we experienced, and we may in the future experience, customer inventory adjustments that may adversely affect our results of operations. Any downturns in the semiconductor industry could harm our business, financial condition, and results of operations. Any significant upturn in the semiconductor industry could result in increased competition for access to third-party foundry and assembly capacity. To support our current growth plans, we are dependent on the availability of this capacity to manufacture and assemble our products and we can provide no assurance that adequate capacity will be available to us in the future. We cannot predict the duration or timing of any downturn or upturn in the semiconductor industry.

##### *We have historically depended on a limited number of customers for a significant portion of our revenue. If we are unable to expand or further diversify our customer base, our business, financial condition, and results of operations could suffer, and the loss of, or a significant reduction in orders from our customers, including a large customer or end customer, could significantly reduce our revenue and adversely impact our operating results.*

Historically we have derived a significant portion of our revenue from a limited number of customers. We sell our products primarily through distributors, who in turn sell to our end customers. We also sell directly to our end customers. Our top

three distributors by revenue together accounted for approximately 66% and 64% of our revenue for the three months ended March 31, 2026 and 2025, respectively. Based on our shipment information, we believe that revenue attributable to our ten largest end customers accounted for 67% and 64% of our revenue for the three months ended March 31, 2026 and 2025, respectively. We anticipate revenue attributable to this customer will fluctuate from period to period. Although we sell our products to this customer through distributors on a purchase order basis, including, but not limited to, Pernas Electronics Co., Ltd., Arrow Electronics, Inc., and Quantek Technology Corporation, we have a development and supply agreement, which provides a general framework for certain transactions with Apple. This agreement continues until either party terminates for material breach. Under this agreement, we have agreed to develop and deliver new products to this end customer at its request, provided it also meets our business purposes, and have agreed to indemnify it for intellectual property infringement or any injury or damages caused by our products. This end customer does not have any minimum or binding purchase obligations to us under this agreement and could elect to discontinue making purchases from us with little or no notice. We expect the composition of our largest end customers to vary from period to period, and that revenue attributable to our largest ten end customers in any given period may decline over time. Our relationships with existing customers may deter potential customers who compete with these customers from buying our Precision Timing solutions.

We believe our operating results for the foreseeable future will continue to depend to a significant extent on sales attributable to a limited number of customers and end customers. If we are unable to expand or further diversify our customer base, it could harm our business, financial condition, and results of operations.

If our end customers were to choose to work with other manufacturers or our relationships with our end customers are disrupted for any reason, it could have a significant negative impact on our business. Any reduction in sales attributable to our larger customers and end customers, including our largest end customer, would have a significant and disproportionate impact on our business, financial condition, and results of operations. Geopolitical tensions are leading to an increasing trend of customers seeking domestically produced products or reducing the dependence upon or use of products from certain countries, which could limit our ability to make sales to these customers.

Our end customers, or the distributors through which we sell to these customers, may choose to use products in addition to ours, use a different product altogether, or develop an in-house solution. In addition, the inability of our customers or their contract manufacturers to obtain sufficient supplies of third-party components used with our products could result in a decline in the demand of our products and a loss of sales. Any of these events could significantly harm our business, financial condition, and results of operations. Further, if our distributors' relationships with our end customers, including our larger end customers, are disrupted for inability to deliver sufficient products or for any other reason, it could have a significant negative impact on our business, financial condition, and results of operations.

***Because we do not typically have long-term purchase commitments with our customers, orders may be cancelled, reduced, or rescheduled with little or no notice, which in turn exposes us to inventory risk, and may cause our business and results of operations to suffer.***

We sell our products primarily through distributors, usually with no long-term or minimum purchase commitments from them or their end customers. Substantially all of our sales to date have been made on a purchase order basis, which orders may be cancelled, changed, or rescheduled with little or no notice or penalty. As a result, our revenue and operating results could fluctuate materially and could be materially and disproportionately impacted by purchasing decisions of our customers, including our larger customers. In the future, our distributors or their end customers may decide to purchase fewer units than they have in the past, may alter their purchasing patterns at any time with limited or no notice, or may decide not to continue to purchase our Precision Timing solutions at all, any of which could cause our revenue to decline materially and materially harm our business, financial condition, and results of operations. Cancellations of, reductions in, or rescheduling of customer orders could also result in the loss of anticipated sales without allowing us sufficient time to reduce our inventory and operating expenses, as a substantial portion of our expenses are fixed at least in the short term. In addition, forecasts provided by customers, end customers, or their affiliates or contract manufacturers may change or may later prove to have been inaccurate which could make demand for our products difficult for us to predict and could expose us to the risks of inventory shortages or excess inventory and materially harm our results of operations. As we do not intend to acquire inventory to pre-build custom products, we may not be able to fulfill increased demand in the short term. Any of the foregoing events could materially and adversely affect our business, financial condition, and results of operations.

***Our revenue and operating results may fluctuate from period to period, which could cause our stock price to fluctuate.***

Our revenue and operating results have fluctuated in the past and may fluctuate from period to period in the future due to a variety of factors, many of which are beyond our control. We expect our revenue to fluctuate in the future primarily based on the volume of shipments of our products and average selling price changes. Factors relating to our business that may

contribute to fluctuations in our operating results include the following factors, as well as other factors described elsewhere in this report:

- macroeconomic conditions;
- cyclical fluctuations in the semiconductor market;
- customer demand and product life cycles;
- the receipt, reduction, or cancellation of, or changes in the forecasts or timing of, orders by customers;
- fluctuations in the levels of inventories held by our distributors or end customers;
- the gain or loss of significant customers;
- changes in our pricing, product cost, and product mix;
- supply chain disruptions, delays, shortages, and capacity limitations;
- market acceptance of our products and our customers' products;
- our ability to develop, introduce, and market new products and technologies on a timely basis;
- the timing and extent of product development costs;
- new product announcements and introductions by us or our competitors;
- our research and development costs and related new product expenditures and our ability to achieve cost reductions in a timely or predictable manner;
- seasonality and fluctuations in sales by product manufacturers that incorporate our Precision Timing solutions into their products;
- end-market demand into which we have limited insight, including cyclical, seasonality, and the competitive landscape;
- socioeconomic or political conditions in the countries where we operate or where our products are sold or used;
- the impact of any pandemic, epidemic, or outbreak of disease, on our business, suppliers, and customers;
- fluctuations in our manufacturing yields;
- significant warranty claims, including those not covered by our suppliers;
- production disruptions or delays due to failure of information technology infrastructure or enterprise resource planning systems;
- new accounting pronouncements or changes in existing accounting standards; and
- loss of one or more of our executive officers or other key employees.

As a result of these and other factors, you should not rely on the results of any prior quarterly or annual periods, or any historical trends reflected in such results, as indications of our future revenue or operating performance. Fluctuations in our revenue and operating results could cause our stock price to decline and, as a result, you may lose some or all of your investment.

***We depend on third parties for our wafer fabrication, assembly, packaging, and testing operations, which exposes us to certain risks that may harm our business.***

We operate an outsourced manufacturing business model. As a result, we rely on third parties primarily located outside the U.S. for all of our manufacturing operations, including wafer fabrication, assembly, packaging, and testing. Adverse relations between the U.S. and any country supplying our materials could impact timely availability of our inventory. Although we use multiple third-party supplier sources, we depend on these third parties to supply us with material of a requested quantity in a timely manner that meets our standards for yield, cost, and manufacturing quality. The manufacturing processes of our third-party suppliers for our products require specialized technology that requires certain raw and engineered materials. Many major components, product equipment items, engineered materials, and raw materials, which are procured or subcontracted by our third-party suppliers for manufacturing of our products are procured or

subcontracted on a single or sole-source basis. Except for our agreement with Robert Bosch LLC ("Bosch") for MEMS wafers, we do not have any long-term supply agreements with any of our other manufacturing suppliers. These third-party manufacturers often serve customers that are larger than us or require a greater portion of their services, which may decrease our relative importance and negotiating leverage with these third parties.

Many of our products are manufactured by using older semiconductor manufacturing process technologies. The semiconductor industry is characterized by rapid technological change, with many foundries transitioning their production capacity to smaller, more advanced process nodes. The phasing out of production lines for older nodes may create supply chain vulnerability due to potential obsolescence and limited sourcing options.

If market demand for wafers or production and assembly materials increases, if a supplier of our wafers fails to procure materials needed for manufacture of our products, or if a supplier of our wafers ceases or suspends operations, our supply of wafers and other materials could become limited. We currently have a ten-year supply agreement with Bosch for the fabrication of our MEMS wafers. The initial term of this supply agreement is through February 2027 and renews automatically. We currently rely primarily on Bosch and Teledyne Digital Imaging Inc. ("Teledyne") for our MEMS fabrication, and primarily on TSMC and United Microelectronics Corporation ("UMC") for our analog circuits fabrication, and any disruption in the supply of wafers or any increases in the wafer or materials prices could adversely affect our gross margins and our ability to meet customer demands in a timely manner, or at all, and lead to reduced revenue. In the past, we have been impacted by a number of industry-wide supply constraints affecting the supply of analog circuits manufactured by certain foundries, including TSMC, and affecting outsourced semiconductor assembly and test providers ("OSATs"), which limited our ability to fully satisfy an increase in demand for some of our products. Moreover, wafers constitute a large portion of our product cost. If we are unable to negotiate volume discounts or otherwise purchase wafers at favorable prices and in sufficient quantities in a timely manner, our ability to ship our solutions to our customers on time and in the quantity required could be adversely affected, which in turn could cause an unanticipated decline in our sales, harm to our customer relationships, and our gross margins to be adversely affected.

To ensure continued wafer supply, we may be required to establish alternative wafer supply sources, which could require significant expenditures and limit our negotiating leverage. We currently rely on Bosch, TSMC, UMC, and Teledyne as our primary foundries and suppliers for our MEMS timing devices and analog circuits, and only a few foundry vendors have the capability to manufacture our most advanced solutions, in particular with respect to our MEMS technology. If we engage alternative supply sources, we may incur additional costs and encounter difficulties and/or delays in qualifying the supply sources. For example, we previously had a license agreement with Bosch under which Bosch granted us a license to use certain patents. Under this agreement, we were required to pay a royalty fee to Bosch if we engaged third parties to manufacture, or if we decided to manufacture ourselves, certain generations of our MEMS wafers. In addition, shipments could be significantly delayed while these sources are qualified for volume production. If we are unable to maintain our relationship with Bosch, TSMC, UMC, or Teledyne, our ability to produce high-quality products could suffer, which in turn could harm our business, financial condition, and results of operations.

We currently primarily rely on Advanced Semiconductor Engineering, Inc. ("ASE"), Carsem (M) Sdn. Bhd ("Carsem"), and United Test and Assembly Center Ltd. ("UTAC") for assembly and testing, as well as Daishinku Corp. ("Daishinku"), UTAC, Hana Semiconductor (Ayutthaya) Co., Ltd, and ASE for ceramic packaging for some of our products. We enter into capacity agreements with certain of our OSATs from time to time, which may adversely impact our gross margins and results of operations if we do not purchase required minimum quantities.

Certain of our manufacturing, packaging, assembly, and testing facilities are located outside of the United States, including Malaysia, Taiwan, Thailand, and Singapore, where we are subject to increased risk of political and economic instability, difficulties in managing operations, difficulties in enforcing contracts and our intellectual property, severe weather, and employment and labor difficulties. Additionally, public health crises, such as an outbreak of contagious diseases, may affect the production capabilities of our suppliers, including as a result of quarantines, closures of production facilities, lack of supplies, or delays caused by restrictions on travel or work-from-home orders. Restrictions like these could limit our suppliers' ability to operate their manufacturing facilities.

Any of these factors could result in manufacturing and supply problems, and delays in our ability to provide our solutions to our customers on a timely basis, or at all. If we experience manufacturing problems at a particular location, we may be required to transfer manufacturing to a new location or supplier. Converting or transferring manufacturing from a primary location or supplier to a backup facility could be expensive and could take several quarters or longer to accomplish. During such a transition, we would be required to meet customer demand from our then-existing inventory, as well as any partially finished goods that could be modified to the required product specifications. In addition, our end customers may require requalification with a new wafer manufacturer. We typically maintain at least a three-month supply of our MEMS wafers for which Bosch is our primary supplier. We do not otherwise maintain sufficient inventory to address a lengthy transition period. As a result, we may not be able to meet customer needs during such a transition, which could damage our customer

relationships. Although we maintain business disruption insurance, this insurance may not be adequate to cover any losses we may experience as a result of such difficulties.

If one or more of the third parties we rely on for our manufacturing operations terminates its relationship with us, or if we encounter any problems with our manufacturing supply chain, our ability to ship our solutions to our customers on time and in the quantity required would be adversely affected, which in turn could cause an unanticipated decline in our sales, harm to our customer relationships and loss of customers.

***International trade policies, including tariffs, sanctions and trade barriers may adversely affect our business, financial condition, results of operations and prospects.***

Substantial new tariffs and other restrictive trade policies have created a dynamic and unpredictable trade landscape, which may adversely impact our business. Laws and regulations regarding tariffs and trade policies are continuously and rapidly evolving, and the scope and interpretation of the laws and regulations that are or may be applicable to us are often uncertain and may be conflicting. As a result, these laws and regulations may be interpreted and applied in a manner inconsistent with our practices or policies and we could face fines, lawsuits, regulatory investigations, and other claims and penalties, and we could be required to fundamentally change our practices, which could adversely affect our business and operating results. Complying with such laws and regulations may be time-consuming and require additional resources, and could therefore adversely affect our business and results of operations.

Current or future tariffs or other restrictive trade measures may significantly raise the costs of raw materials, components or finished goods, which may adversely impact both our product offerings and our operational expenses. Such cost increases may reduce our margins and require us to increase prices, which could harm our competitive position, reduce customer demand and damage customer relationships. Our manufacturers, suppliers and distribution channels are also affected by the current trade environment, and we may experience supply chain disruptions as a result of increased costs and uncertainty, as well as risks to the long-term viability of key vendors, which may impact our ability to meet customer demand or manage inventory efficiently. Tariff and other trade-related cost pressures and supply chain disruptions may lead to reputational harm if we are unable to deliver products or services on expected timelines or if any price increases are poorly received by customers or business partners. In addition, many of our customers operate businesses that may be impacted by trade policies, which may result in decreased demand for our products or extended sales cycles as customers assess the impact of evolving trade policies on their operations and face increased costs or decreased revenue due to tariffs and trade restrictions.

Trade disputes, trade restrictions, tariffs and other geopolitical tensions between the U.S. and other countries may also exacerbate unfavorable macroeconomic conditions including inflationary pressures, foreign exchange volatility, financial market instability, and economic recessions or downturns, which may also negatively impact customer demand for our products, delay purchases, limit expansion opportunities with customers, limit our access to capital, or otherwise negatively impact our business and operations. Ongoing tariff, trade restrictions and macroeconomic uncertainty has and may continue to contribute to volatility in the price of our common stock.

The complexity of announced or future tariffs may also increase the risk that we or our customers or suppliers may be subject to civil or criminal enforcement actions in the U.S. or foreign jurisdictions related to compliance with trade regulations. In addition, retaliatory trade policies or anti-U.S. sentiment in certain regions whether driven by trade tensions, political disagreements, or regulatory concerns may make customers, governments, and investors more hesitant to engage with, purchase from or invest in U.S. firms. This may lead to increased preference for local competitors, changes to government procurement policies, heightened regulatory scrutiny, decreased intellectual property protections, delays in regulatory approvals or other retaliatory regulatory non-tariff policies, which may result in heightened international legal and operational risks and difficulties in attracting and retaining non-U.S. customers, suppliers, employees, partners and investors.

Ongoing uncertainty regarding trade policies may also further complicate our short- and long-term strategic planning, and that of our partners and customers, including decisions regarding hiring, product strategy, capital investment, supply chain design and geographic expansion.

While we continue to monitor trade developments, the ultimate impact of these risks remains uncertain and any prolonged economic downturn, escalation in trade tensions, or deterioration in international perception of U.S.-based companies could materially and adversely affect our business, results of operations, financial condition and prospects. In addition, tariffs and other trade developments have and may continue to heighten the risks related to the other risk factors described elsewhere in this report and in our Annual Report for the fiscal year ended December 31, 2025.

***A significant portion of our operations is located outside of the United States, which subjects us to additional risks, including increased complexity and costs of managing international operations and geopolitical instability.***

We outsource the fabrication and assembly of all of our products to third parties that are primarily located in Germany and Asia. In addition, we conduct research and development activities in locations including the United States, Japan, the Netherlands, Taiwan, Ukraine, Finland, and India. We also conduct marketing and administrative functions in the United States, Japan, the Netherlands, China, Taiwan, Malaysia, Ukraine, and India. Members of our sales force are located in various locations outside of the United States. Certain of the critical functions for our business are performed in locations outside of the United States. In addition, approximately 93% and 93% of our revenue for the three months ended March 31, 2026 and 2025, respectively, was from distributors with ship-to locations outside the United States, although we believe the majority of our end customers are based in the U.S. based on sell-through information provided by these distributors. As a result of our international focus, we face numerous challenges and risks, including:

- complexity and costs of managing international operations, including manufacturing, assembly, and testing of our products and associated costs;
- geopolitical and military conflicts, including the effects of Russia's invasion of Ukraine;
- economic instability, including the effects of rising inflation and increased interest rates;
- limited protection for, and vulnerability to theft of, our intellectual property rights, including our trade secrets;
- compliance with local laws and regulations and unanticipated changes in local laws and regulations, including tax laws and regulations;
- trade and foreign exchange restrictions and higher tariffs, including the ongoing trade tensions between the U.S. and China that has resulted in higher tariffs on certain semiconductor products and increased trade restrictions;
- timing and availability of import and export licenses and other governmental approvals, permits, and licenses, including export classification requirements;
- foreign currency fluctuations and exchange losses relating to our international operating activities;
- restrictions imposed by the U.S. government or foreign governments on our ability to do business with certain companies or in certain countries as a result of international political conflicts and the complexity of complying with those restrictions;
- transportation delays and other consequences of limited local infrastructure, and disruptions, such as large scale outages or interruptions of service from utilities or telecommunications providers;
- difficulties in staffing international operations;
- changes in immigration policies which may impact our ability to hire personnel;
- local business and cultural factors that differ from our normal standards and practices;
- differing employment practices and labor relations;
- requirements in foreign countries which may impact availability of personnel, such as mandatory military service in countries such as Ukraine, Taiwan, and Finland;
- heightened risk of terrorist acts;
- regional health issues and the impact of public health epidemics on employees and the global economy;
- power outages and natural disasters; and
- travel, work-from-home or other restrictions or stoppages, like those imposed by governments around the world as a result of pandemics.

These risks could harm our international operations, delay new product releases, increase our operating costs, and hinder our ability to grow our operations and business and, consequently, our business, financial condition, and results of operations could suffer. For example, we rely on TSMC and UMC in Taiwan for the fabrication of our analog circuits and have engineering personnel in Taiwan and sales force personnel in China. If political tensions between China and Taiwan

were to increase further, it could disrupt our business and adversely affect our financial condition and results of operations. In addition, given the ongoing political and military conflict in Russia and Ukraine, if the relationship between Russia and the United States worsens further, or we are restricted or precluded from continuing our operations in Ukraine, it could disrupt our business, our costs could increase, and our product development efforts, business, financial condition, and results of operations could be significantly harmed.

***Our success and future revenue depend on our ability to achieve design wins and to convince our current and prospective customers to design our products into their product offerings. If we do not continue to win designs or our products are not designed into our customers' product offerings, our results of operations and business will be harmed.***

We sell our Precision Timing solutions to customers who select our solutions for inclusion in their product offerings. This selection process is typically lengthy and may require us to incur significant design and development expenditures and dedicate scarce engineering resources in pursuit of a single design win with no assurance that our solutions will be selected. If we fail to convince our current or prospective customers to include our products in their product offerings or to achieve a consistent number of design wins, our business, financial condition, and results of operations will be harmed.

Because of our extended sales cycle, our revenue in future years is highly dependent on design wins we are awarded in prior years. It is typical that a design win will not result in meaningful revenue for a year or more, if at all. If we do not continue to achieve design wins in the short term, our revenue in the following years may deteriorate.

Further, a significant portion of our revenue in any period may depend on a single product design win with a large customer. As a result, the loss of any key design win or any significant delay in the ramp of volume production of the customer's products into which our product is designed could adversely affect our business, financial condition, and results of operations. We may not be able to maintain sales to our key customers or continue to secure key design wins for a variety of reasons, and our customers can stop incorporating our products into their product offerings with limited notice to us and suffer little or no penalty.

If we fail to anticipate or respond to technological shifts or market demands, or to develop new or enhanced products or technologies in response to the same in a timely manner, it could result in decreased revenue and the loss of our design wins to our competitors. Due to the interdependence of various components in the systems within which our products and the products of our competitors operate, customers are unlikely to change to another design, once adopted, until the next generation of a technology. As a result, if we fail to introduce new or enhanced products that meet the needs of our customers or penetrate new markets in a timely manner, and our designs do not gain acceptance, we will lose market share and our competitive position.

The loss of a key customer or design win, a reduction in sales to any key customer, a significant delay or negative development in our customers' product development plans, or our inability to attract new significant customers or secure new key design wins could seriously impact our revenue and materially and adversely affect our business, financial condition, and results of operations.

***We may experience difficulties demonstrating the value to customers of newer solutions if they believe existing solutions are adequate to meet end customer expectations. If we are unable to sell new generations of our product, our business would be harmed.***

As we develop and introduce new solutions, we face the risk that customers may not value or be willing to bear the cost of incorporating these newer solutions into their product offerings, particularly if they believe their customers are satisfied with prior offerings. Regardless of the improved features or superior performance of the newer solutions, customers may be unwilling to adopt our new solutions due to design or pricing constraints. Because of the extensive time and resources that we invest in developing new solutions, if we are unable to sell new generations of our solutions, our revenue could decline and our business, financial condition, and results of operations would be negatively affected.

***Some of our customer and other third-party agreements provide for joint and/or custom product development, which subject us to a number of risks, and any failure to execute on any of these arrangements could have a material adverse effect on our business, results of operations, and financial condition.***

We have entered into development, product collaboration and technology licensing arrangements with some of our customers and other third parties, and we expect to enter into new arrangements of these kinds from time to time in the future. These agreements may increase risks for us, such as the risks related to timely delivery of new products, risks associated with the ownership of the intellectual property developed, risks that such activities may not result in products that are commercially successful or available in a timely fashion, and risks that third parties involved may abandon or fail to perform their obligations related to such agreements. In addition, such arrangements may provide for exclusivity periods during which we may only sell specified products or technologies to that particular customer. Any failure to develop

commercially successful products under such arrangements in a timely manner as a result of any of these and other challenges could have a material adverse effect on our business, results of operations, and financial condition.

***The success of our products is dependent on our customers' ability to develop products that achieve market acceptance, and our customers' failure to do so could negatively affect our business.***

The success of our Precision Timing solutions is heavily dependent on the timely introduction, quality, and market acceptance of our customers' products incorporating our solutions, which are impacted by factors beyond our control. Our customers' products are often very complex and subject to design complexities that may result in design flaws, as well as potential defects, errors, and bugs. We have in the past been subject to delays and project cancellations as a result of design flaws in the products developed by our customers, changing market requirements, such as the customer adding a new feature, or because a customer's product fails their end customer's evaluation or field trial. In other cases, customer products are delayed due to incompatible deliverables from other vendors. We incur significant design and development costs in connection with designing our products for customers' products that may not ultimately achieve market acceptance. If our customers discover design flaws, defects, errors, or bugs in their products, or if they experience changing market requirements, failed evaluations or field trials, or incompatible deliverables from other vendors, they may delay, change, or cancel a project, and we may have incurred significant additional development costs and may not be able to recoup our costs, which in turn would adversely affect our business, financial condition, and results of operations.

***Our target customer and product markets may not grow or develop as we currently expect, and if we fail to penetrate new markets and scale successfully within those markets, our revenue and financial condition would be harmed.***

Our target markets include the communications, datacenter, and enterprise, automotive, industrial, aerospace, defense, and mobile, IoT, and consumer markets. Substantially all of our revenue to date has been attributable to sales of MEMS oscillators. We have expanded our products to include clock IC and timing synchronization solutions. Any deterioration in our target customer or product markets or reduction in capital spending to support these markets could lead to a reduction in demand for our products, which would adversely affect our revenue and results of operations. Further, if our target customer markets do not grow or develop in ways that we currently expect, demand for our technology may not materialize as expected, which would also negatively impact our business, financial condition, and results of operations.

We may be unable to predict the timing or development of trends in our target markets with any accuracy. If we fail to accurately predict market requirements or market demand for these solutions, our business will suffer. A market shift towards an industry standard that we may not support could significantly decrease the demand for our solutions.

Our future revenue growth, if any, will depend in part on our ability to expand within our existing markets and our ability to enter into new markets. Each of our end markets presents distinct and substantial challenges and risks and, in many cases, requires us to develop new customized solutions to address the particular requirements of that market. Meeting the technical requirements and securing future design wins in any of these new markets will require a substantial investment of our time and resources. We cannot assure you that we will secure future design wins from these or other new markets, or that we will achieve meaningful revenue from sales in these markets. If new markets do not develop as we currently anticipate or if we are unable to penetrate them and scale in them successfully, our revenue could decline.

***Fluctuations in exchange rates between and among the currencies of the countries in which we do business could adversely affect our results of operations.***

Our sales have been historically denominated in U.S. dollars, even when sold to customers located outside of the U.S. An increase in the value of the U.S. dollar relative to the currencies of the countries in which our customers operate could increase the real cost to our customers of our products and impair the ability of our customers to cost-effectively purchase or integrate our solutions into their product offerings, which may materially affect the demand for our solutions and cause these customers to reduce their orders, or may increase pressure on us to lower our product prices, which in each case would adversely affect our revenue and business.

If we increase operations in other currencies in the future, we may experience foreign exchange gains or losses due to the volatility of other currencies compared to the U.S. dollar. Certain of our employees are located primarily in Finland, India, Japan, Malaysia, the Netherlands, Taiwan, and Ukraine. Accordingly, a portion of our payroll as well as certain other operating expenses are paid in currencies other than the U.S. dollar. Our results of operations are denominated in U.S. dollars, and the difference in exchange rates in one period compared to another may directly impact period-to-period comparisons of our results of operations. Furthermore, currency exchange rates have been especially volatile in the recent past, and these currency fluctuations may make it difficult for us to predict our results of operations.

***The average selling prices of our individual products have fluctuated historically over time and may do so in the future, which could harm our revenue and gross margins.***

Although on average selling prices of our products have increased over time as we introduce higher end products, the average selling prices of our individual products generally decrease over time. Our customers may change their purchase orders and demand forecasts at any time with limited notice due in part to fluctuating end-market demand, which can sometimes lead to price renegotiations. Although these price renegotiations can sometimes result in the average selling prices of the specified product fluctuating over the shorter term, we expect average selling prices of individual products generally to decline over the longer term as that product and our end customers' products mature.

We seek to offset the anticipated reductions in our average selling prices of individual products by reducing the cost of our products through improvements in manufacturing yields and lower wafer, assembly, and testing costs, developing new products, enhancing lower-cost products on a timely basis, and increasing unit sales. However, if we are unable to offset these anticipated reductions in our average selling prices, our business, financial condition, and results of operations could be negatively affected.

***If we are not able to successfully introduce and ship in volume new products in a timely manner, our business and revenue will suffer.***

We have developed products that we anticipate will have product life cycles of ten years or more, as well as other products in more volatile high growth or rapidly changing areas, which may have shorter life cycles. Our future success depends, in part, on our ability to develop and introduce new technologies and products that generate new sources of revenue to replace, or build upon, existing revenue streams. If we are unable to consistently introduce new products that ship in volume, or if our transition to these new products does not successfully occur prior to any decrease in revenue from our prior products, our revenue will likely decline significantly and rapidly.

***Pandemics, epidemics, or other outbreaks of disease have had and may in the future have an adverse impact upon our business, results of operations, and financial condition.***

A future pandemic, epidemic, health crisis, or other outbreak of disease, may negatively and materially impact our business, results of operations, and financial condition, due to:

- a global economic recession or depression that could significantly reduce demand and/or prices for our products;
- reduced productivity in our product development, operations, marketing, sales, and other activities;
- government mandates, guidance, or recommendations regarding shutdown, closures, or other restrictions;
- disruptions to our supply chain;
- higher rate of losses on our accounts receivable due to credit defaults; or
- volatility in our stock price.

The potential impact that a future pandemic, epidemic, health crisis, or other outbreak of disease, could have on our business, results of operations, and financial condition, and on the other risk factors described in this "Risk Factors" section, remain unclear and difficult to predict.

***Our gross margins may fluctuate due to a variety of factors, which could negatively impact our results of operations and our financial condition.***

Our gross margins may fluctuate due to a number of factors, including customer and product mix, market acceptance of our new products, timing and seasonality of the end-market demand, yield, wafer pricing, packaging, and testing costs, competitive pricing dynamics, and geographic and market pricing strategies.

To attract new customers or retain existing customers, we have in the past and will in the future offer certain customers favorable prices, which would decrease our average selling prices and likely impact gross margins. Further, we may also offer pricing incentives to our customers on earlier generations of products that inherently have a higher cost structure, which would negatively affect our gross margins. In addition, in the event our customers, including our larger end customers, exert more pressure with respect to pricing and other terms with us, it could put downward pressure on our margins.

Because we do not operate our own manufacturing, assembly, or testing facilities, we may not be able to reduce our costs as rapidly as companies that operate their own facilities, and our costs may even increase, which could further reduce our gross margins. For instance, we continued to see increases in our manufacturing costs in fiscal year 2023 due to industry wide increases in costs. We rely primarily on obtaining yield improvements and volume-based cost reductions to drive cost

reductions in the manufacture of existing products, introducing new products that incorporate advanced features and optimize die size, and other price and performance factors that enable us to increase revenue while maintaining gross margins. To the extent that such cost reductions or revenue increases do not occur at a sufficient level and in a timely manner, our business, financial condition, and results of operations could be adversely affected.

In addition, we maintain an inventory of our products at various stages of production and in some cases as finished good inventory. We hold these inventories in anticipation of customer orders. If those customer orders do not materialize in a timely manner, we may have excess or obsolete inventory which we would have to reserve or write-down, and our gross margins would be adversely affected.

***Our revenue in previous periods may not be indicative of future performance and our revenue may fluctuate over time.***

Our revenue has fluctuated over time. Our revenue was \$113.6 million and \$60.3 million for the three months ended March 31, 2026 and 2025, respectively. You should not rely on our revenue for any previous quarterly or annual periods as any indication of our revenue for future fiscal periods. As we grow our business, our revenue may fluctuate in future periods due to a number of reasons, which may include macroeconomic conditions, slowing demand for our products, increasing competition, a decrease in the growth of our overall market or market saturation, or our failure to capitalize on growth opportunities.

***If we are unable to manage our growth effectively, we may not be able to execute our business plan and our operating results could suffer.***

In order to succeed in executing our business plan, we will need to manage our growth effectively as we make significant investments in research and development and sales and marketing, and expand our operations and infrastructure both domestically and internationally. If our revenue does not increase to offset these increases in our expenses, we may not achieve or maintain profitability in future periods.

To manage our growth effectively, we must continue to expand our operations, engineering, financial accounting, internal management, and other systems, procedures, and controls. This may require substantial managerial and financial resources, and our efforts may not be successful. Any failure to successfully implement systems enhancements and improvements will likely have a negative impact on our ability to manage our expected growth, as well as our ability to ensure uninterrupted operation of key business systems and compliance with the rules and regulations applicable to public companies. If we are unable to manage our growth effectively, we may not be able to take advantage of market opportunities or develop new Precision Timing solutions, and we may fail to satisfy customer product or support requirements, maintain the quality of our solutions, execute our business plan or respond to competitive pressures, any of which could negatively affect our business, financial condition, and results of operations.

***Our customers require our products and our third-party contractors to undergo a lengthy and expensive qualification process, which does not assure product sales. If we are unsuccessful or delayed in qualifying any of our products with a customer, our business and operating results would suffer.***

Prior to purchasing our Precision Timing solutions, our customers require that both our solutions and our third-party contractors undergo extensive qualification processes, which involve testing of our products in the customers' systems, as well as testing for reliability. This qualification process may continue for several months. However, qualification of a product by a customer does not assure any sales of the product to that customer. Even after successful qualification and sales of a product to a customer, a subsequent revision in our third-party contractors' manufacturing process or our selection of a new supplier may require a new qualification process with our customers, which may result in delays and in our holding excess or obsolete inventory. After our products are qualified, it can take several months or more before the customer commences volume production of components or systems that incorporate our products. Despite these uncertainties, we devote substantial resources, including design, engineering, sales, marketing, and management efforts, to qualifying our products with customers in anticipation of sales. If we are unsuccessful or delayed in qualifying any of our products with a customer, sales of those products to the customer may be precluded or delayed, which would cause our business, financial condition, and results of operations to suffer.

***We provide a lifetime warranty on our products and may be subject to warranty or product liability claims, which could result in unexpected expenses and loss of market share.***

We provide a limited lifetime warranty on our products and generally agree to indemnify our customers for defects in our products or failure of our products to meet our product specifications. Defects in our products could make our products unsafe and create a risk of property damage or personal injury. These risks may increase where our products are incorporated into specialized end products in industries such as automotive, aerospace, defense, and medical device. We may be subject to warranty or product liability claims. These claims may require us to make significant expenditures to

defend those claims, replace our solutions, refund payments, or pay damage awards. This risk is exacerbated by the lifetime warranty of our products, which exposes us to warranty claims for the entire product lifecycle.

Our Precision Timing solutions have only been incorporated into end products since 2008. Accordingly, the operation of our products and technology has not been validated over longer periods. If a customer's product fails in use, the customer may incur significant monetary damages, including a product recall or associated replacement expenses as well as lost revenue. The customer may claim that a defect in our product caused the product failure and assert a claim against us to recover monetary damages. In certain situations, circumstances might warrant that we consider incurring the costs or expenses related to a recall of one of our products in order to avoid the potential claims that may be raised should a customer reasonably rely upon our product and suffer a failure due to a design or manufacturing process defect. In addition, the cost of defending these claims and satisfying any arbitration award or judgment with respect to these claims would result in unexpected expenses, which could be substantial, and could harm our business, financial condition, and results of operations. Although we carry product liability insurance, this insurance is subject to significant deductibles and may not adequately cover our costs arising from defects in our products or otherwise.

***Defects in our products or failures to meet product specifications could harm our relationships with our customers and damage our reputation.***

Our products must meet demanding specifications for quality, performance, and reliability. Defects in our products or failure of our products to meet required product specifications may cause our customers to be reluctant to buy our products, which could harm our ability to retain existing customers and attract new customers and adversely impact our reputation. The process of identifying a defective or potentially defective product in systems that have been widely distributed may be lengthy and require significant resources. Further, if we are unable to determine the root cause of a problem or find an appropriate solution, we may delay shipment to customers. As a result, we may incur significant replacement costs and contract damage claims from our customers, and our reputation, business, financial condition, and results of operations may be adversely affected.

Though we are not currently aware of any occurrences, from time to time our products may be diverted from our supply chain or authorized distribution channels and sold on the "black market" or "gray market." Customers purchasing our products on the black market or the gray market may use our products for purposes for which they were not intended, or may purchase counterfeit or substandard products, for instance that have been altered or damaged, which could result in damage to property or persons which could harm our business and cause our reputation to be adversely affected.

***If we fail to accurately anticipate and respond to rapid technological change in the industries in which we operate, our ability to attract and retain customers could be impaired and our competitive position could be harmed.***

We operate in industries characterized by rapidly changing and evolving technologies such as AI, as well as technological obsolescence. The introduction of new products by our competitors, the delay or cancellation of any of our customers' product offerings for which our Precision Timing solutions are designed, the market acceptance of products based on new or alternative technologies, or the emergence of new industry standards could render our existing or future products uncompetitive, obsolete, and otherwise unmarketable. Our failure to anticipate or develop new or enhanced products or technologies in a timely manner in response to changing market demand, whether due to technological shifts or otherwise, could result in the loss of customers and decreased revenue and have an adverse effect on our business, financial condition, and results of operations.

***If our products do not conform to, or are not compatible with, existing or emerging industry standards, demand for our existing solutions may decrease, which in turn would harm our business and operating results.***

We design certain of our products to conform to current industry standards. Some industry standards may not be widely adopted or implemented uniformly and competing standards may emerge that may be preferred by our distributors or our end customers.

Our ability to compete in the future will depend on our ability to identify and ensure compliance with evolving industry standards in our target markets, as well as in the timing semiconductor industry. The emergence of new industry standards could render our products incompatible with products developed by third-party suppliers or make it difficult for our products to meet the requirements of certain original equipment manufacturers ("OEMs"). If our customers or our third-party suppliers adopt new or competing industry standards with which our solutions are not compatible, or if industry groups fail to adopt standards with which our solutions are compatible, our products would become less desirable to our current or prospective customers. As a result, our sales would suffer, and we could be required to make significant expenditures to develop new products. Although we believe our products are compliant with applicable industry standards, proprietary enhancements may not in the future result in conformance with existing industry standards under all circumstances. If our products do not conform to, or are not compatible with, existing or emerging standards, it would harm our business, financial condition, and results of operations.

***We may be unable to make the substantial investments that are required to remain competitive in our business.***

The semiconductor industry requires substantial and continuous investment in research and development in order to bring to market new and enhanced solutions. We expect our research and development expenditures to increase in the future as part of our strategy to increase demand for our solutions in our current markets and to expand into additional markets. We are a smaller company with limited resources, and we may not have sufficient resources to maintain the level of investment in research and development required to remain competitive. In addition, we cannot assure you that the technologies, which are the focus of our research and development expenditures, will become commercially successful or generate any revenue.

***If we fail to compete effectively, we may lose or fail to gain market share, which could negatively impact our operating results and our business.***

The global semiconductor market in general, and the timing market in particular, is highly competitive. We expect competition to increase and intensify as additional companies enter our target markets, and as internal silicon design resources of large OEMs grow. Increased competition could result in price pressure, reduced gross margins and loss of market share, any of which could harm our business, financial condition, and results of operations. In addition, companies that we compete with may implement AI strategies for products and services. As a result, they may be more successful in their AI strategy and develop superior products and services with the aid of AI. Our competitors range from large, international companies offering a wide range of timing products to smaller companies, including start-ups, specializing in narrow market verticals. Companies that we primarily compete with include, but are not limited to, Abracon LLC, Daishinku Corp., Diodes Incorporated, Kyocera Corporation, Microchip Technology Inc., Murata Manufacturing Co., Ltd., Nihon Dempa Kogyo Co., Ltd., Rakon Limited, Renesas Electronics Corporation, Seiko Epson Corporation, Skyworks Solutions, Inc., Texas Instruments Incorporated, and TXC Corporation. We expect competition in our current markets to increase in the future as existing competitors improve or expand their technology and product offerings and as new competitors enter these markets. In addition, our future growth will depend in part on our ability to successfully enter and compete in new markets. Some of these markets will likely be served by only a few large, multinational OEMs with substantial negotiating and buying power relative to us and, in some instances, with internally developed silicon solutions that can be competitive to our products.

Our ability to compete successfully depends, in part, on factors that are outside of our control, including industry and general economic trends. Many of our competitors are substantially larger, have greater financial, technical, marketing, distribution, customer support, government support, and other resources are more established than we are, and have significantly better brand recognition and broader product offerings. This may enable them to better withstand downturns in the timing market in which we compete, as well as adverse economic or market conditions. Our ability to compete successfully will depend on a number of factors, including:

- our ability to define, design, and regularly introduce new products that anticipate the functionality and integration needs of our customers' next-generation products and applications;
- our ability to build strong and long-lasting relationships with our customers and other industry participants;
- our ability to capitalize on, and prevent losses due to, vertical integration by significant customers;
- our solutions' performance and cost-effectiveness relative to those of competing products;
- our ability to achieve design wins;
- the effectiveness and success of our customers' products utilizing our solutions within their competitive end markets;
- our research and development capabilities to provide innovative solutions and maintain our product roadmap;
- the strength of our sales and marketing efforts, including those of our distributors, and our brand awareness and reputation;
- our ability to secure capacity with our foundry and assembly partners to manufacture and assemble our products;
- our ability to deliver products in volume on a timely basis at competitive prices;
- our ability to withstand or respond to significant price competition;

- our ability to build and expand international operations in a cost-effective manner;
- our ability to obtain, maintain, protect, and enforce our intellectual property rights, including obtaining intellectual property rights from third-parties that may be necessary to meet the evolving demands of the market;
- our ability to defend potential patent infringement claims arising from third-parties;
- our ability to promote and support our customers' incorporation of our solutions into their products; and
- our ability to retain high-level talent, including our management team and engineers.

Our competitors may also establish cooperative relationships among themselves or with third-parties or may acquire companies that provide similar products to ours. As a result, new competitors or alliances may emerge that could capture significant market share. Additionally, timing suppliers, especially resonator suppliers, may engage directly with our customers to help the customer build timing products, and eliminate the need for an external timing supplier in some of their applications. Any of these factors, alone or in combination with others, could harm our business, financial condition, and results of operations and result in a loss of market share and an increase in pricing pressure.

***We depend on our executive officers and other key employees, and the loss of one or more of these employees or an inability to attract or retain highly skilled employees could adversely affect our business.***

Our success depends largely upon the continued services of our executive officers and other highly skilled key employees, including in engineering, product development, operations, sales, and marketing. From time to time, there may be changes in our executive management team or other key personnel, which could disrupt our business. We do not have employment agreements with our executive officers or other key personnel that require them to continue to work for us for any specified period and, therefore, they could terminate their employment with us at any time. The loss of one or more of our executive officers or other key employees, including due to adverse business conditions, could have an adverse effect on our business.

In addition, to execute our growth plan, we must attract and retain highly qualified personnel. Competition for these personnel is intense, especially for engineers with MEMS technology and advanced clock IC design expertise. We have from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we have. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or we have breached legal obligations, resulting in a diversion of our time and resources. In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines, it may adversely affect our ability to recruit and retain highly skilled employees. Further, changes in immigration policies may negatively impact our ability to attract and retain personnel, including personnel with specialized technical expertise. If we fail to attract new personnel or fail to retain or motivate our current personnel, our business and future growth prospects could be adversely affected.

***Our company culture has contributed to our success and if we cannot maintain this culture, our business could be harmed.***

We believe that our company culture, which promotes innovation, open communication, and teamwork, has been critical to our success. We face a number of challenges that may affect our ability to sustain our corporate culture, including:

- the potential failure to identify, attract, reward, and retain people in leadership positions in our organization who share and further our culture, values, and mission;
- the increasing size and geographic diversity of our workforce;
- competitive pressures to move in directions that may divert us from our mission, vision, and values;
- the continued challenges of a rapidly-evolving industry; and
- the increasing need to develop expertise in new areas of business that affect us.

If we are not able to maintain our culture, our business, financial condition, and results of operations could be adversely affected.

***Our acquisition of certain assets and an exclusive license to certain intellectual property of Aura involves a number of risks.***

On December 1, 2023, we closed the acquisition of certain assets and an exclusive license to certain intellectual property of Aura. The payment obligations in connection with the acquisition have and will continue to reduce our liquidity, and may limit our flexibility in responding to other business opportunities, as well as increase our vulnerability to adverse economic and industry conditions.

We entered into the transaction with Aura with the expectation that the transaction would result in various benefits to us, including the expansion of our product portfolio, and growth of our business. To realize the anticipated benefits of the acquisition, the products of Aura must be successfully completed, delivered to us, and then integrated. Product completion can be complex and time consuming, and Aura may not be able to deliver the products on time or deliver products that meet the agreed specified criteria. Further, we may face significant challenges in integrating the technologies and products. If the products are not successfully completed and integrated, the anticipated benefits of the transactions may not be realized fully or may take longer to realize than expected. The acquisition may not further our business strategy as we expect and we may experience unanticipated costs or liabilities associated with the acquisition, which could adversely affect our business or operating results and potentially cause impairment to assets that we recorded as a part of the acquisition including intangible assets and goodwill. In addition, if we are unable to integrate and retain personnel that joined us as part of the transaction with Aura, we may not be able to fully capitalize on the benefits. Any of the above could decrease the benefits we expect to receive from the agreement with Aura and adversely affect our financial condition and operating results.

***We may make acquisitions in the future that could disrupt our business, cause dilution to our stockholders, reduce our financial resources, and harm our business.***

We have in the past, and may in the future, seek to acquire other businesses, products, or technologies. For example, in December 2023, we closed the acquisition of certain assets and an exclusive license to certain intellectual property of Aura. Also, on February 4, 2026, we entered into the Asset Purchase Agreement with Renesas, pursuant to which Renesas will and will cause certain of its affiliates to sell, transfer, assign and convey to SiTime all of their right, title and interest in, to and under certain assets related to the timing business of Renesas ("the Renesas Acquisition"). Additionally, until the transactions contemplated by the Asset Purchase Agreement are consummated, we are subject to certain restrictions that may limit our ability to pursue other acquisitions. If the transactions contemplated by the Asset Purchase Agreement are delayed or ultimately not completed, we may lose the opportunity to pursue alternative transactions or strategic initiatives that could have enhanced stockholder value. Our ability to make such acquisitions and successfully integrate personnel, technologies, or operations of these acquired businesses is unproven. If we complete acquisitions, we may not achieve the combined revenue, cost synergies, or other benefits from the acquisition that we anticipate, strengthen our competitive position, or achieve our other strategic goals in a timely manner, or at all, and these acquisitions may be viewed negatively by our customers, financial markets, or investors. For example, following the closing of the Renesas Acquisition, we will rely on Renesas to supply products and support customer deliveries pursuant to a transitional services arrangement. If Renesas is unable to satisfactorily perform, we could be exposed to operational risk, which would negatively impact our ability to meet customer demand, and harm our operating results. In addition, any acquisitions we make may create difficulties in integrating personnel, technologies, and operations from the acquired businesses and in retaining and motivating key personnel. For example, if we fail to successfully integrate Renesas employees into our corporate culture, or fail to integrate the products, features, and technologies associated with the Renesas Acquisition in a timely fashion, our business and reputation could be significantly harmed. Further, the integration process for the Renesas Acquisition may require significant time and resources, and we may not be able to manage the process successfully. We may encounter challenges with incorporating the acquired products, features, and technologies while maintaining quality and security standards, or we may fail to identify security vulnerabilities in acquired technology, assets, or data, prior to integration with our technology and systems. Acquisitions may disrupt our ongoing operations, divert management from their primary responsibilities, cause us to forgo other potential transactions or internal projects, subject us to additional liabilities, increase our expenses, and adversely impact our business, financial condition, and results of operations. Acquisitions may also reduce our cash available for operations and other uses, and could result in an increase in amortization expense related to identifiable assets acquired, potentially dilutive issuances of equity securities, or the incurrence of debt, any of which could harm our business, financial condition, and results of operations. Further, acquisitions may result in charges such as acquisition-related expenses, write-offs, restructuring charges, or future impairment of goodwill, as well as contingent liabilities, adverse tax consequences, additional share-based compensation expense, and other charges that could adversely affect our results of operations.

These transactions, including the Renesas Acquisition, or parts of any such transactions, may fail to be completed due to factors such as: failure to obtain regulatory or other required approvals, disputes or litigation, or difficulties obtaining financing for the transaction. Even if we fail to complete an acquisition, we may have incurred significant expenses in

connection with such transaction and the failure to complete a pending acquisition may result in negative publicity and a negative perception of us among the investment community.

For the foregoing reasons, pursuit of an acquisition of other businesses, products, or technologies could adversely impact our business, financial condition, and results of operations.

***If the foundries with which we contract do not achieve satisfactory yields or quality, our reputation and customer relationships could be harmed.***

We depend on satisfactory wafer foundry manufacturing capacity, wafer prices, and production yields, as well as timely wafer delivery to meet customer demand and enable us to maintain gross margins. The fabrication of our products is a complex and technically demanding process. Minor deviations in the manufacturing process can cause substantial decreases in yields and, in some cases, cause production to be suspended. Our foundry vendors may experience manufacturing defects and reduced manufacturing yields from time to time. Further, any new foundry vendors we employ may present additional and unexpected manufacturing challenges that could require significant management time and focus. Changes in manufacturing processes or the inadvertent use of defective or contaminated materials by the foundries that we employ could result in lower than anticipated production yields or unacceptable performance of our devices. Many of these problems are difficult to detect at an early stage of the manufacturing process and may be time-consuming and expensive to correct. Poor production yields from the foundries that we employ, or defects, integration issues, or other performance problems in our solutions could significantly harm our customer relationships and financial results and give rise to financial or other damages to our customers. Any product liability claim brought against us, even if unsuccessful, would likely be time-consuming and costly to defend.

Manufacturing yields for new products initially tend to be lower as we complete product development and commence volume manufacturing, and typically increase as we bring the product to full production. Our business model includes this assumption of improving manufacturing yields and, as a result, material variances between projected and actual manufacturing yields will have a direct effect on our gross margin and profitability. The difficulty of accurately forecasting manufacturing yields and maintaining cost competitiveness through improving manufacturing yields will continue to be magnified by the increasing process complexity of manufacturing semiconductor products.

***Raw material and engineered material availability and price fluctuations have in the past and may in the future increase the cost of our products, impact our ability to meet customer commitments, and may adversely affect our results of operations.***

The cost of raw and engineered materials is a key element in the cost of our products. Our inability to offset material price inflation through increased prices to customers, suppliers, productivity actions, or through commodity hedges could adversely affect our results of operations. Many major components, product equipment items, engineered materials, and raw materials, are procured or subcontracted on a single or sole-source basis. Although we maintain a qualification and performance surveillance process and we believe that sources of supply for engineered materials, raw materials, and components are generally adequate, it is difficult to predict what effects limited or delayed availability, or price increases may have in the future. Our inability to fill our supply needs would jeopardize our ability to ship our solutions to our customers on time and in the quantity required, which could, in turn, result in reduced sales and profits, and damage to our customer relationships.

Furthermore, increases in the price of silicon wafers, testing costs, and commodities, which may result in increased production costs, mainly assembly and packaging costs, may result in a decrease in our gross margins. Moreover, our suppliers may pass the increase in engineered materials, raw materials and commodity costs onto us which would further reduce the gross margin of our products. In addition, as we are a fabless company, global market trends such as a shortage of capacity to fulfill our fabrication needs also may increase our raw material costs and thus decrease our gross margin.

***We rely on our relationships with industry and technology leaders to enhance our product offerings and our inability to continue to develop or maintain such relationships in the future would harm our ability to remain competitive.***

We develop many of our Precision Timing solutions for applications in systems that are driven by industry and technology leaders in the communications and computing markets. We work with distributors, OEMs, and system manufacturers to define industry conventions and standards within our target markets. We believe that these relationships enhance our ability to achieve market acceptance and widespread adoption of our products. If we are unable to continue to develop or maintain these relationships, our Precision Timing solutions could become less desirable to our customers, our sales could suffer and our competitive position could be harmed.

***Our ability to receive timely payments from, or the deterioration of the financial conditions of, our distributors or our end customers could adversely affect our operating results.***

Our ability to receive timely payments from or the deterioration of the financial condition of, our distributors or our end customers could adversely impact our collection of accounts receivable, and, as a result, our revenue. We regularly review the collectability and creditworthiness of our customers to determine an appropriate allowance for credit losses. Based on our review of our customers annually and as of March 31, 2026, substantially all of which are large distributors, OEMs, and system manufacturers, we had \$0.1 million in allowance for credit losses as of March 31, 2026 and December 31, 2025, respectively. However, if our credit losses were to exceed our current or future allowance for credit losses, our business, financial condition, and results of operations would be adversely affected.

***We may not be able to accurately predict our future capital needs, and we may not be able to obtain additional financing to fund our operations.***

We may need to raise additional funds in the future. For example, on February 4, 2026, in connection with the Renesas Acquisition, we entered into the Commitment Letter with Wells Fargo pursuant to which Wells Fargo has committed to provide us with debt financing to fund a portion of the Cash Consideration in the form of the Bridge Facility. These required or additional financing may not be available on terms acceptable to us, or at all. If we raise additional funds by issuing equity securities or convertible debt, stockholders may experience significant dilution of their ownership interest, and the newly-issued securities may have rights senior to those of the holders of our common stock. If we raise additional funds by obtaining loans from third parties, the terms of those financing arrangements may include negative covenants or other restrictions on our business that could impair our operational flexibility and would also require us to incur additional interest expense. If additional financing is not available when required or is not available on acceptable terms, we may have to scale back our operations or limit our production activities, and we may not be able to expand our business, develop or enhance our solutions, take advantage of business opportunities, or respond to competitive pressures, which could negatively impact our revenue and the competitiveness of our products.

***Our cash and cash equivalents could be adversely affected if the financial institutions in which we hold our cash and cash equivalents fail.***

We regularly maintain cash balances at third-party financial institutions in excess of the Federal Deposit Insurance Corporation (“FDIC”) insurance limit. If a depository institution fails to return our deposits or if a depository institution is subject to other adverse conditions in the financial or credit markets, there is no guarantee that the U.S. Department of Treasury, FDIC or Federal Reserve Board will provide access to uninsured deposits, which could restrict access to our cash or cash equivalents and could adversely impact our operating liquidity, financial condition, and results of operations.

***We may seek, or be required to seek, debt financing.***

We may seek, or be required to seek, debt financing. For example, on February 4, 2026, in connection with the Renesas Acquisition, we entered into the Commitment Letter with Wells Fargo, pursuant to which Wells Fargo has committed to provide us with debt financing to fund a portion of the Cash Consideration in the form of the Bridge Facility. These required financing may not be available on terms acceptable to us, or at all. The terms of any financing arrangements may include negative covenants or other restrictions on our business that could impair our operational flexibility and would also require us to incur additional interest expense. If financing is not available when required or is not available on acceptable terms, it could harm our liquidity position and we may have to scale back our operations or limit our production activities, which in turn would harm our business, operating results, and financial condition.

***Failure to comply with the laws associated with our activities outside of the United States could subject us to penalties and other adverse consequences.***

We face significant risks if we fail to comply with anti-corruption laws and anti-bribery laws, including, without limitation, the U.S. Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”), the U.S. Travel Act, and the UK Bribery Act 2010, that prohibit improper payments or offers of payment to foreign governments and political parties by us for the purpose of obtaining or retaining business. In many foreign countries, particularly in countries with developing economies, it may be a local custom that businesses operating in such countries engage in business practices that are prohibited by the FCPA or other applicable laws and regulations. Any violation of these laws could result in severe criminal or civil sanctions and, in the case of the FCPA, suspension or debarment from U.S. government contracting, which could have an adverse effect on our reputation, business, financial condition, and results of operations.

***We are subject to government regulation, including import, export and economic sanctions laws and regulations that may expose us to liability and increase our costs.***

Our products and technology are subject to U.S. export controls, including the U.S. Department of Commerce’s Export Administration Regulations (“EAR”) and economic and trade sanctions regulations administered by the U.S. Treasury

Department's Office of Foreign Assets Controls. These regulations may limit the export of our products and technology, and provision of our services outside of the United States, or may require export authorizations, including by license, a license exception, or other appropriate government authorizations and conditions, including annual or semi-annual reporting. Export control and economic sanctions laws may also include prohibitions on the sale or supply of certain of our products to embargoed or sanctioned countries, regions, governments, persons, and entities. For example, we sell to markets in Asia where multiple companies have been added to the Entity List, requiring license for exports of items subject to control under the EAR. To our knowledge, we have not sold products subject to the EAR to Entity List persons. In addition, various countries regulate the importation of certain products, through import permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our products. The exportation, re-exportation, and importation of our products and technology and the provision of services, including by our partners, must comply with U.S. and other laws or else we may be adversely affected through reputational harm, government investigations, penalties, and a denial or curtailment of our ability to export our products and technology. Although we take precautions to prevent our products and technology from being provided in violation of such laws, our products and technology may have previously been, and could in the future be, provided inadvertently in violation of such laws, despite the precautions we take. These laws and regulations are continuously and rapidly evolving, and the scope and interpretation of the laws and regulations that are or may be applicable to us are often uncertain and may be conflicting. Changes in export or import laws or sanctions policies also may adversely impact our operations, delay the introduction and sale of our products in international markets, or, in some cases, prevent the export or import of our products and technology to certain countries, regions, governments, persons, or entities altogether, which could adversely affect our business, financial condition, and results of operations.

***Our internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, failure or interruption of information technology systems, the circumvention or overriding of controls, or fraud.***

Even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in their implementation, our business and operating results could be harmed, and we could fail to meet our financial reporting obligations.

***Changes in environmental laws or regulations, as well as sustainability initiatives, could impose substantial costs and may adversely affect our business.***

Our product or manufacturing standards could be impacted by new or revised environmental rules and regulations or other social initiatives. For example, a significant portion of our revenue comes from international sales. Environmental laws or regulations in those countries or in the countries of our end customers may increase our cost of doing business and adversely affect our business and results of operations.

Many customers, regulators, investors, employees, and other stakeholders are focusing on sustainability matters. While we have certain sustainability initiatives, there is no assurance that customers, regulators, investors, and employees will determine that these programs are sufficient. Any actual or perceived shortcomings with respect to our sustainability initiatives and reporting can impact our ability to retain certain customers or increase our customer base, reelect our board of directors, attract and retain certain types of investors, or hire and retain employees. Collecting, measuring, and reporting sustainability information and metrics can be costly, difficult and time consuming, is subject to evolving reporting standards, and can present numerous operational, reputational, financial, legal, and other risks, any of which could adversely affect our business as well as on our reputation and stock price.

***New or future changes to U.S. and non-U.S. tax laws could materially adversely affect us.***

New or future changes in tax laws, regulations, and treaties, or the interpretation thereof, in addition to tax regulations enacted but not in effect, tax policy initiatives and reforms under consideration in the United States or related to the Organization for Economic Co-operation and Development's, Base Erosion and Profit Shifting Project ("BEPS"), the European Commission's state aid investigations, and other initiatives could have an adverse effect on the taxation of international businesses. Furthermore, countries where we are subject to taxes, including the United States, are independently evaluating their tax policy and we may see significant changes in legislation and regulations concerning taxation. Certain countries have already enacted legislation, including those related to BEPS, which could affect international businesses, and other countries have become more aggressive in their approach to audits and enforcement of their applicable tax laws. In addition, we are unable to predict what future tax reform may be proposed or enacted or what effect such changes would have on our business, but any changes, to the extent they are brought into tax legislation, regulations, policies, or practices, could increase our effective tax rates in the countries where we have operations and have an adverse effect on our overall tax rate, along with increasing the complexity, burden and cost of tax compliance, all of which could impact our business, financial condition, and results of operations.

***If we fail to comply with government contracting regulations, we could suffer a loss of revenue or other penalties.***

Some of our revenue is derived from contracts with agencies of the U.S. government and subcontracts with its prime contractors. As a result, we are subject to federal contracting regulations, including the Federal Acquisition Regulations. In connection with our business with the U.S. government, we are also subject to audits and review and approval of our policies, procedures, and internal controls for compliance with procurement regulations and applicable laws. In certain circumstances, if we do not comply with the terms of a government contract or with regulations or statutes, we could be subject to downward contract price adjustments or refund obligations or could in extreme circumstances be assessed civil and criminal penalties, or be debarred or suspended from obtaining future contracts for a specified period of time, which could have an adverse effect on our business.

***Tax regulatory authorities may disagree with our positions and conclusions regarding certain tax positions resulting in unanticipated costs or non-realization of expected benefits.***

A tax authority may disagree with tax positions that we have taken. For example, the Internal Revenue Service, or another tax authority could challenge our allocation of income by tax jurisdiction and the amounts paid between our affiliated companies pursuant to our intercompany arrangements and transfer pricing policies, including amounts paid with respect to our intellectual property in connection with our intercompany research and development cost sharing arrangement and legal structure. A tax authority may take the position that material income tax liabilities, interest, and penalties are payable by us, in which case, we expect that we might contest such assessment. Contesting such an assessment may be lengthy and costly and if we were unsuccessful in disputing the assessment, the implications could be materially adverse to us and affect our anticipated effective tax rate or operating income, and we could be required to pay substantial penalties and interest where applicable.

***Catastrophic events may disrupt our business.***

Our corporate headquarters and some of our suppliers and foundry vendors are located in areas that are in active earthquake zones or are subject to power outages, natural disasters, political, social, or economic unrest, and other potentially catastrophic events. In the event of a major earthquake, hurricane, flooding, or other catastrophic event, including with respect to climate change, such as fire, power loss, telecommunications failure, cyber-attack, war, terrorist attack, political, social, or economic unrest, pandemic, epidemic, health crisis, or disease outbreak, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our product development, breaches of data security, or loss of critical data, any of which could have an adverse effect on our future results of operations.

***State, federal, and foreign laws and regulations and other legal obligations related to privacy, data protection, and data security could adversely affect us.***

We are subject to a variety of laws and regulations worldwide related to privacy, data protection, and data security, such as the European Union's General Data Protection Regulation or California's Consumer Privacy Act of 2018 and Privacy Rights Act of 2020. These laws and regulations are continuously and rapidly evolving, and the scope and interpretation of the laws and regulations that are or may be applicable to us are often uncertain and may be conflicting. As a result, these laws and regulations may be interpreted and applied in a manner inconsistent with our practices or policies and we could face fines, lawsuits, regulatory investigations, and other claims and penalties, and we could be required to fundamentally change our practices, which could adversely affect our business and operating results. Complying with such laws and regulations may be time-consuming and require additional resources, and could therefore adversely affect our business and results of operations. Any failure or perceived failure by us or our third-party service providers to comply with our privacy, data protection, or data security policies, or legal or contractual obligations, even if unfounded, may result in governmental enforcement actions, litigation, liability, or negative publicity, and could adversely affect our business, financial condition, and results of operations.

***Security breaches, cyberattacks, and other disruptions to information technology systems owned or maintained by us or third parties, such as vendors or suppliers, could disrupt our operations, compromise the confidentiality of private customer data or our intellectual property, and adversely affect our business, reputation, operations, and financial results.***

We rely on our information technology systems, and those of our vendors, suppliers, and customers, including hardware, software, cloud services, infrastructure, networks, and systems, for the effective operation of our business and for secure maintenance and storage of confidential data relating to our business. We also utilize AI tools for process automation and other efficiencies. The use of AI may increase vulnerability to cybersecurity risks, including through unauthorized use or misuse of AI tools or the introduction of malicious code incorporated into AI generated code. AI may also be used for certain cybersecurity attacks. Additionally, in the ordinary course of business we collect and store sensitive data, including intellectual property and proprietary business information as well as personal information of our customers and employees, in data centers and on information technology systems, including systems that may be controlled or maintained by third

parties. The secure operation of these information technology systems, and the processing and maintenance of the information processed by these systems, is critical to our business operations. While we and others have implemented various controls and defenses, cybersecurity attacks and threats have continued to become more prevalent and sophisticated. These threats are constantly evolving, making it increasingly difficult to successfully defend against or implement adequate preventive measures. Geopolitical tensions or conflicts have in the past led to, and may in the future lead to, increased risk of cybersecurity attacks. Notwithstanding defensive measures, experienced programmers, hackers, state actors, or others may be able to penetrate our security controls, or those of our vendors, suppliers, or customers, through attacks such as, but not limited to, phishing or other forms of social engineering, impersonating authorized users, ransomware, spyware, viruses, worms and other malicious software programs, software supply chain attacks, exploitation of compromised commercial software, bugs and other security weaknesses and vulnerabilities, and covert introduction of malware to computers and networks. Any attack on the information technology systems of us or one of our vendors, suppliers, or customers may be difficult to detect, designed to remain dormant until a triggering event, or may continue undetected for an extended period of time. In addition, our information technology systems and those of our vendors, suppliers, and customers may be vulnerable to damage, disruptions, or shutdowns due to errors, negligence or malfeasance by employees, contractors, or others who have access to these systems.

Security breaches, cyberattacks, and other disruptions to our information technology systems or those of our vendors, suppliers, or customers could compromise the confidentiality, operational integrity, and accessibility of our information technology systems, or those of our vendors, suppliers, or customers, which could result in the compromise, unauthorized publication, or loss of proprietary data, intellectual property, or personal information, as well as interruptions or delays in our business operations, loss of existing or future customers, and damage to our reputation, which could adversely affect our business, reputation, and financial results. In addition, such events could result in violations of privacy or other laws, increase the risk of litigation or regulatory investigation, or cause us to incur direct losses if attackers initiate wire transfers or access our bank or investment accounts. We expect ongoing and increasing costs related to investments in technology, controls, processes, and practices; however these investments may not be sufficient to shield us from significant losses or liability in the event of security breaches, cyberattacks, or other disruptions to our information technology systems.

***Our business may be impacted by information technology system failures or network disruptions, and lack of redundancy.***

Our ability to operate our business depends on the efficient operation of internal and third-party information technology systems, including cloud computing, data centers, hardware, software, and applications, to manage our company. We strive to use quality and secure systems, work with reputable system vendors, and implement procedures intended to enable us to protect our systems.

Our information technology systems and operations could be damaged or interrupted due to events such as natural or human-caused disasters, extreme weather, geopolitical events and security issues, computer viruses, cybersecurity incidents, telecommunication failures, and similar events, which could adversely affect our business, financial condition, and results of operations. In addition, our information technology systems may not support new business models and applications, including with respect to AI, and significant investments may be required in order to upgrade such systems. Our systems are not fully redundant and depending on the severity of the damage or interruption, our disaster recovery plans may be inadequate or ineffective. These events could also damage our reputation, and result in increased costs or loss of sales.

***We may not be able to utilize a significant portion of our net operating loss carryforwards and research and development tax credit carryforwards.***

As of December 31, 2025, we had U.S. federal, state and foreign NOL carryforwards of approximately \$344.3 million, \$85.1 million and \$0.2 million, respectively, and U.S. federal and state research and development tax credit carryforwards of approximately \$3.9 million and \$3.6 million, respectively. The U.S. federal, state, and the foreign NOL carryforwards begin to expire in 2028. The U.S. federal research and development tax credit carryforwards began to expire in 2025 and the state research and development tax credit carryforwards carry forward indefinitely. These NOL and U.S. federal tax credit carryforwards could expire unused and/or be unavailable to offset future income tax liabilities. In addition, under Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”), and corresponding provisions of California state law, if a corporation undergoes an “ownership change,” which is 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 NOL carryforwards and other pre-change tax attributes to offset its post-change income may be limited. We completed a Section 382 analysis and determined an ownership change last occurred in 2014 and concluded that it had no impact on U.S. federal and California NOLs or on U.S. federal research and development credits. Our initial public offering in November 2019 and our follow-on offering on June 27, 2025 did not result in a change in ownership of greater than 50% under Section 382. We also had a follow-on offering on June 16, 2020, which resulted in greater than 50% change under Section 382. We

completed an updated Section 382 analysis based on this new change event and determined that it will not prohibit us from eventually utilizing our carryforwards. We updated the Section 382 analysis through December 31, 2025, and concluded there have not been any additional ownership changes as defined under Section 382 since the June 16, 2020 follow-on offering. We may experience ownership changes in the future as a result of subsequent shifts in our stock ownership, some of which may be outside of our control. If we determine that an ownership change has occurred and our ability to use our historical NOL and tax credit carryforwards is materially limited, it would harm our future business, financial condition, and results of operations by effectively increasing our future tax obligations. In addition, under the Tax Act, federal NOLs incurred in 2018 and in future years may be carried forward indefinitely but generally may not be carried back and the deductibility of such NOLs is limited to 80% of taxable income. Under the Coronavirus Aid, Relief, and Economic Security Act, which was signed into law in 2020, an NOL from a tax year beginning in 2018, 2019 or 2020 can be carried back five years and would not be subject to the 80%-of-income limitation if they are exhausted during the five-year carryback period or during 2018, 2019 or 2020. We will not carry back any NOLs as they did not have taxable income in prior years.

### **Risks Related to Intellectual Property**

***Our failure to adequately protect our intellectual property rights could impair our ability to compete effectively or defend ourselves from litigation, which could harm our business, financial condition, and results of operations.***

Our success depends, in part, on our ability to protect our intellectual property. We rely primarily on patent, copyright, trademark, and trade secret laws, as well as confidentiality and non-disclosure agreements, and other contractual protections, to protect our technologies and proprietary know-how, all of which offer only limited protection. The steps we have taken to protect our intellectual property rights may not be adequate to prevent the misappropriation, infringement, or other violation of our proprietary information or infringement of our intellectual property rights, and our ability to prevent such misappropriation, infringement, or other violation is uncertain, particularly in countries outside of the United States. As of March 31, 2026, we had 148 issued U.S. patents, expiring generally between 2026 and 2043, and 49 pending U.S. patent applications (including 11 provisional applications). We also had 6 foreign issued patents expiring in 2036 and 12 pending foreign patent applications. Our issued patents and pending patent applications generally relate to our MEMS fabrication process, MEMS resonators, circuits, packaging, and oscillator systems. We cannot assure you that any patents from any pending patent applications (or from any future patent applications) will be issued, and even if the pending patent applications are granted, the scope of the rights granted to us may not be meaningful or provide us with any commercial advantage. For example, these patents could be opposed, contested, circumvented, designed around by third parties, be narrowed or declared invalid or unenforceable in judicial or administrative proceedings including re-examination, inter partes review, post-grant review, interference and derivation proceedings and equivalent proceedings in foreign jurisdictions, or be subject to ownership claims by third parties. The failure of our patents to adequately protect our technology may make it easier for our competitors to offer similar products or technologies. Our foreign patent protection is less comprehensive than our U.S. patent protection and may not protect our intellectual property rights in some countries where our products are sold or may be sold in the future. Even if foreign patents are granted, effective enforcement in foreign countries may not be available. Further, we are currently unable to take advantage of selling our products online in certain countries where we do not own trademarks for our corporate name. Many U.S.-based companies have encountered substantial third-party intellectual property infringement in foreign countries, including countries where we sell products. If such an impermissible use of our intellectual property or trade secrets were to occur, our ability to sell our solutions at competitive prices may be adversely affected and our business, financial condition, and results of operations could be adversely affected.

The legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain and evolving. We cannot assure you that others will not develop or patent similar or superior technologies or solutions, or that our patents, trademarks, and other intellectual property will not be challenged, invalidated, or circumvented by others.

We also have a license to certain patents from Bosch relating to the design and manufacture of MEMS-based timing applications. The patent rights obtained under the license agreement expire between 2026 and 2029, and the license agreement expires upon expiration of the last patent licensed under the agreement. We do not believe there will be any significant impact upon expiration of these patents.

We believe that the success of our business depends more on proprietary technology, information and processes, and know-how than on our patents or trademarks. Much of our proprietary information and technology related to manufacturing processes is not patented and may not be patentable.

Unauthorized copying or other misappropriation of our proprietary technologies could enable third parties to benefit from our technologies without paying us for doing so, which could harm our business. Monitoring unauthorized use of our intellectual property is difficult and costly. It is possible that unauthorized use of our intellectual property may have

occurred or may occur without our knowledge. We cannot assure you that the steps we have taken will prevent unauthorized use of our intellectual property, or that others will not develop technologies similar or superior to our technology or design around our intellectual property. Our failure to effectively protect our intellectual property could reduce the value of our technology in licensing arrangements or in cross-licensing negotiations.

In addition, we also rely on contractual protections with our customers, suppliers, distributors, employees, and consultants, and we implement security measures designed to protect our trade secrets and know-how. However, we cannot assure you that we have entered into such agreements with every such party, that these contractual protections and security measures will not be breached, that we will have adequate remedies for any such breach, or that our customers, suppliers, distributors, employees, or consultants will not assert rights to intellectual property or damages arising out of such contracts.

We may in the future need to initiate infringement claims or litigation in order to try to protect or enforce our intellectual property rights. Litigation, whether we are a plaintiff or a defendant, can be expensive and time-consuming and may divert the efforts of our management and other personnel, which could harm our business, whether or not such litigation results in a determination favorable to us. Litigation also puts our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing. Additionally, any enforcement of our patents or other intellectual property may provoke third parties to assert counterclaims against us. If we are unable to meaningfully protect our proprietary rights or if third parties independently develop or gain access to our or similar technologies, our business, financial condition, results of operations, reputation, and competitive position could be harmed.

***We may face intellectual property infringement, misappropriation, or other claims, which could be time-consuming and costly to defend or settle and which could result in the loss of significant rights and harm our relationships with our customers and distributors.***

The semiconductor industry in which we operate is characterized by companies that hold patents and other intellectual property rights and vigorously pursue, protect, and enforce intellectual property rights. From time to time, third parties may assert against us and our customers and distributors their patent and other intellectual property rights to technologies that are important to our business. Any litigation, regardless of success or merit, could cause us to incur substantial expenses, reduce our sales, and divert the efforts of our management and other personnel. In the event we receive an adverse result in any litigation, we could be required to pay substantial damages, seek licenses from third parties, which may not be available on reasonable terms or at all, cease sale of products, expend significant resources to develop alternative technology, or discontinue the use of processes requiring the relevant technology.

In addition, our commercial success depends upon our ability to manufacture and sell our products without infringing, misappropriating, or otherwise violating the intellectual property rights of others. Claims that our products, processes, or technology infringe, misappropriate, or otherwise violate third-party intellectual property rights, regardless of their merit or resolution, could be costly to defend or settle and could divert the efforts and attention of our management and other personnel. We may in the future, particularly as a public company with an increased profile and visibility, receive communications from others alleging our infringement, misappropriation, or other violation of patents, trade secrets, or other intellectual property rights. We cannot assure you that, if made, these claims will not be successful, and lawsuits resulting from such allegations, even if we believe they are invalid, could subject us to significant liability for damages, invalidate our proprietary rights, and prevent us from selling specific products. Moreover, there could be public announcements of the results of hearings, motions, or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock.

Intellectual property claims could also harm our relationships with our customers or distributors and might deter future customers from doing business with us. We do not know whether we will prevail in any such proceedings given the complex technical issues and inherent uncertainties in intellectual property litigation. If any future proceedings result in an adverse outcome, we could be required to:

- cease the manufacture, use or sale of the applicable products, processes, or technology;
- pay substantial damages for infringement by us or our customers;
- expend significant resources to develop non-infringing products, processes, or technology, which may not be successful;
- license technology from the third-party claiming infringement, which license may not be available on commercially reasonable terms, or at all;
- cross-license our technology to a competitor to resolve an infringement claim, which could weaken our ability to compete with that competitor;

- lose the opportunity to license our technology to others or to collect royalty payments based upon successful protection and assertion of our intellectual property rights against others; or
- pay substantial damages to our customers or end users to discontinue their use of or to replace infringing technology sold to them with non-infringing technology, if available.

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

***Any potential dispute involving patents or other intellectual property could affect our customers, which could trigger our indemnification obligations to them and result in substantial expense to us.***

In any potential dispute involving patents or other intellectual property, our customers could also become the target of litigation. Our agreements with customers and other third-parties generally include indemnification or other provisions under which we agree to indemnify or otherwise be liable to them for losses suffered or incurred as a result of claims of intellectual property infringement, damages caused by us to property or persons, or other liabilities relating to or arising from our solutions included in their products. Large indemnity payments or damage claims from contractual breach could harm our business, financial condition, and results of operations. From time to time, customers may require us to indemnify or otherwise be liable to them for breach of confidentiality or failure to implement adequate security measures with respect to their intellectual property and trade secrets. Although we normally contractually limit our liability with respect to such obligations, we may still incur substantial liability related to them. Any litigation against our customers could trigger technical support and indemnification obligations under some of our agreements, which could result in substantial expense to us.

In addition, other customers, or end customers with whom we do not have formal agreements requiring us to indemnify them may ask us to indemnify them if a claim is made as a condition to awarding future design wins to us. Because some of our customers are larger than we are and have greater resources than we do, they may be more likely to be the target of an infringement claim by third parties than we would be, which could increase our chances of becoming involved in a future lawsuit. If any such claims were to succeed, we might be forced to pay damages on behalf of our customers that could increase our expenses, disrupt our ability to sell our solutions and reduce our revenue and profit. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer and other current and prospective customers and reduce demand for our solutions. In addition to the time and expense required for us to supply support or indemnification to our customers, any such litigation could severely disrupt or shut down the business of our customers, which in turn could hurt our relations with our customers and cause the sale of our products to decrease. Any of the foregoing could harm our business, financial condition, and results of operations.

#### **Risks Related to Concentration of Ownership in Our Common Stock**

***As long as a limited number of stockholders hold a significant amount of our stock, our other stockholders' ability to influence matters requiring stockholder approval will be limited.***

Based on the latest filings with the SEC, holders of 5% or more of our common stock and their affiliates, beneficially owned approximately 46.7% of the outstanding shares of our common stock, based on the number of shares outstanding as of March 31, 2026. As a result, this group of stockholders has the ability to significantly influence us through this ownership position.

For example, as long as this group of stockholders continue to hold a significant or the largest ownership position in our outstanding common stock, they may have the ability to affect the outcome of any stockholder vote during this period. As a result, they will have the ability to exert significant influence over many matters affecting us, either through a board representative or as a stockholder, including:

- determinations with respect to our business plans and policies, including the appointment and removal of our officers;
- any determinations with respect to mergers and other business combinations;
- our acquisition or disposition of assets;
- our financing activities;
- the payment of dividends on our common stock; and
- the number of shares available for issuance under our stock plans.

Significant ownership position of these stockholders may discourage transactions involving a change of control of us, including transactions in which other holders of our common stock might otherwise receive a premium for their shares over

the then current market price. In addition, as a result of this significant influence, persons who we would like to invite to join our board of directors may decline to do so.

## **Risks Related to Our Common Stock**

### ***Substantial future sales of our common stock could cause the market price of our common stock to decline.***

The market price of our common stock could decline as a result of substantial sales of our common stock, particularly sales by our directors, executive officers, and significant stockholders, including MegaChips, or the perception in the market that a large number of stockholders intend to sell their shares. Following the anticipated closing of the Acquisition, Renesas is expected to be a significant stockholder of our common stock. The sale or potential sale of a substantial number of shares of our common stock by Renesas, or the perception that such sales could occur, could adversely affect the market price of our common stock.

### ***Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.***

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

- authorize our board of directors to issue, without further action by the stockholders, shares of undesignated preferred stock with terms, rights, and preferences determined by our board of directors that may be senior to our common stock;
- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent;
- specify that special meetings of our stockholders can be called only by our board of directors, the Chairman of our board of directors, or our Chief Executive Officer;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors;
- establish that our board of directors is divided into three classes, with each class serving three-year staggered terms;
- prohibit cumulative voting in the election of directors;
- provide that our directors may be removed only for cause;
- provide that vacancies on our board of directors may be filled by a majority of directors then in office, even if less than a quorum; and
- require the approval of our board of directors or the holders of at least 66 2/3% of our outstanding shares of capital stock to amend our bylaws and certain provisions of our certificate of incorporation.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any interested stockholder for a period of three years following the date on which the stockholder became an interested stockholder. Any delay or prevention of a change of control transaction or changes in our management could cause our stock price to decline.

### ***Our bylaws designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, and federal district courts will be the sole and exclusive forum for Securities Act claims, which could limit our stockholders' ability to obtain what they believe to be a favorable judicial forum for disputes with us or our directors, officers, or other employees.***

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on our behalf, (b) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us or our stockholders, (c) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws, or (d)

any action asserting a claim against us governed by the internal affairs doctrine. Section 27 of the Securities Exchange Act of 1934, or the Exchange Act, creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provision will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Our bylaws further provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts are the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.

Any person or entity purchasing or otherwise acquiring any interest in our capital stock shall be deemed to have notice of and consented to the provisions of our bylaws described above. This choice of forum provision 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 such lawsuits against us and our directors, officers, or other employees. Alternatively, if a court were to find these provisions of our bylaws inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition, and results of operations and result in a diversion of the time and resources of our management and board of directors.

***Our stock price may be volatile and may decline, resulting in a loss of some or all of our stockholder investment.***

The trading price and volume of our common stock is likely to be volatile and could fluctuate significantly in response to numerous factors, many of which are beyond our control, including:

- macroeconomic conditions;
- actual or anticipated fluctuations in our results of operations due to, among other things, changes in customer demand, product life cycles, pricing, ordering patterns, and unforeseen operating costs;
- the financial projections we may provide to the public, any changes in these projections, or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates or ratings by any securities analysts who follow us, or our failure to meet these estimates or the expectations of investors;
- announcements by our significant customers of changes to their product offerings, business plans, or strategies;
- announcements by us or our competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures, or capital commitments;
- changes in operating performance and stock market valuations of other technology companies generally, or those in the semiconductor industry;
- timing and seasonality of the end-market demand;
- cyclical fluctuations in the semiconductor market;
- price and volume fluctuations in the overall stock market from time to time, including as a result of trends in the economy as a whole;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- any major change in our management;
- lawsuits threatened or filed against us; and
- other events or factors, including those resulting from geopolitical activities, war, incidents of terrorism, natural disasters, pandemics, or responses to these events.

In addition, the market for technology stocks and the stock markets in general have experienced extreme price and volume fluctuations. Stock prices of many technology companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to

substantial costs, divert resources and the attention of management from our business, and adversely affect our business, financial condition, and results of operations.

## Item 5. Other Information.

### *Trading Arrangements*

During the quarter ended March 31, 2026, the following officers and directors (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" (as defined in Item 408(a) of Regulation S-K of the Exchange Act) set forth in the table below, each of which is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c):

<b>Name</b>	<b>Title</b>	<b>Action</b>	<b>Adoption/Termination Rule 10b5-1 Date</b>	<b>Rule 10b5-1</b>	<b>Expiration Date <sup>(1)</sup></b>	<b>Maximum aggregate number of securities to be sold</b>
Rajesh Vashist	Chief Executive Officer	Adoption	March 4, 2026	X	May 31, 2027	60,000
Rajesh Vashist, through Aldebran Constellation LLC	Chief Executive Officer	Adoption	March 4, 2026	X	May 31, 2027	20,000
Katherine Schuelke	Director	Adoption	February 18, 2026	X	August 7, 2026	1,290
Raman Chitkara	Director	Adoption	March 13, 2026	X	April 16, 2027	2,000

<sup>(1)</sup> Each officer's or director's trading arrangement terminates on the earliest of: (i) date stated above (ii) the first date on which all trades set forth in the trading arrangement have been executed, or (iii) such date the trading arrangement is otherwise terminated according to its terms.

**Item 6. Exhibits.**

The documents listed below are filed (or furnished, as noted) as exhibits to this Quarterly Report on Form 10-Q:

Exhibit Number	Description
2.1	<a href="#">Asset Purchase Agreement, dated as of February 4, 2026, by and between SiTime Corporation (the “Company”) and Renesas Electronics America Inc. (incorporated by reference to Exhibit 2.1 to the Company’s Current Report on Form 8-K filed February 4, 2026).</a>
3.1	<a href="#">Restated Certificate of Incorporation of SiTime Corporation (the “Company”)(incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K filed November 26, 2019).</a>
3.2	<a href="#">Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.2 to the Company’s Current Report on Form 8-K filed June 29, 2021).</a>
4.1	<a href="#">Form of Common Stock Certificate of the Company (incorporated by reference to Exhibit 4.1 to the Company’s Registration Statement on Form S-1 (File No. 333-234305)).</a>
4.2	<a href="#">Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to the Company’s Annual Report on Form 10-K filed February 16, 2021).</a>
10.38+	<a href="#">Letter Agreement dated January 21, 2026, by and between the Company and Faraj Aalaei (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed January 21, 2026).</a>
10.39	<a href="#">Commitment Letter, dated as of February 4, 2026, by and among the Company, Wells Fargo Securities, LLC and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed February 4, 2026).</a>
10.40*	<a href="#">Fourth Amendment to Letter Agreement dated March 18, 2026, between Rajesh Vashist and SiTime Corporation</a>
10.41*^	<a href="#">Lease Agreement dated March 23, 2026, by and between the Company and 3250 Jay Street Owner LLC.</a>
31.1*	<a href="#">Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1*#	<a href="#">Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2*#	<a href="#">Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS*	Inline XBRL Instance - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* Filed herewith.

+ Indicates a management contract or compensatory plan

^ Portions of the exhibit have been omitted pursuant to Item 601(b)(10) of Regulation S-K because the omitted information is (a) not material and (b) the type of information that the Company both customarily and actually treats as private and confidential. In addition, certain exhibits and schedules to the exhibit have been omitted pursuant to Item 601(a)(5) of Regulation S-K.

# In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 34-47986, the certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Form 10-Q and will not be deemed “filed” for purposes of Section 18 of the Exchange Act or deemed to be incorporated by reference into any filing under the Exchange Act or the Securities Act of 1933 except to the extent that the Company specifically incorporates it by reference.



**3250—3260 JAY STREET**

**LEASE**

This Lease (the "**Lease**"), dated as of the date set forth in Section 1 of the Summary of Basic Lease Information (the "**Summary**"), below, is made by and between 3250 JAY STREET OWNER LLC, a Delaware limited liability company ("**Landlord**"), and SITIME CORPORATION, a Delaware corporation ("**Tenant**").

**SUMMARY OF BASIC LEASE INFORMATION**

**TERMS OF LEASE**

**DESCRIPTION**

- |  |  |
|--|--|
| 1. Effective Date:   | March 23, 2026.  |
| 2. Premises:<br>( <u>Article 1</u> )   |  |
| 2.1 "Building" means each of the following (and collectively the "Buildings"): | Subject to <u>Section 1.2</u> below, approximately 149,300 rentable square feet of space, consisting of: (i) that certain two (2) story building located at 3250 Jay Street, Santa Clara, California, consisting of a total of approximately 45,600 rentable square feet (the " <b>3250 Building</b> ") and (ii) that certain two (2) story building located at 3260 Jay Street, Santa Clara, California, consisting of approximately a total of 103,700 rentable square feet (the " <b>3260 Building</b> "). The 3250 Building and 3260 Building shall be collectively referred to herein as the " <b>Buildings</b> ". The Buildings shall be measured in accordance with the BOMA measurement standard as set forth in <u>Section 1.2</u> below. |
| 2.2 Premises:  | The entirety of the Buildings, as further depicted on <u>Exhibit A</u> to the Lease. The Premises have been measured in accordance with the BOMA measurement standard as set forth in <u>Section 1.2</u> below.  |
| 3. Lease Term<br>( <u>Article 2</u> ):   |  |
| 3.1 Length of Term:  | One hundred fifty-six (156) months.  |
| 3.2 Lease Commencement Date:   | April 1, 2027, but subject to extension for Landlord Delay and Force Majeure Delay (as those terms are defined in <u>Exhibit B</u> attached hereto).   |
| 3.3 Lease Expiration Date:   | The last day of the one hundred fifty-sixth (156th) full calendar month following the Lease Commencement Date.   |
| 3.4 Option Terms:  | Two (2) five (5)-year options to renew, as more particularly set forth in <u>Exhibit F</u> of this Lease.  |
| 4. Base Rent<br>( <u>Article 3</u> ):  | See <u>Article 3</u> of the Lease below.   |

<u>Period of Lease Term</u>	<u>Annual Base Rent</u>	<u>Monthly Installment of Base Rent</u>
Lease Month 1 – Lease Month 12*	\$3,762,360.00	\$313,530.00
Lease Month 13 – Lease Month 24	\$5,733,120.00	\$477,760.00

Lease Month 25 – Lease Month 36	\$5,905,113.60	\$492,092.80
Lease Month 37 – Lease Month 48	\$6,082,266.96	\$506,855.58
Lease Month 49 – Lease Month 60	\$6,264,735.00	\$522,061.25
Lease Month 61 – Lease Month 72	\$6,452,677.08	\$537,723.09
Lease Month 73 – Lease Month 84	\$6,646,257.36	\$553,854.78
Lease Month 85 – Lease Month 96	\$6,845,645.16	\$570,470.43
Lease Month 97 – Lease Month 108	\$7,051,014.48	\$587,584.54
Lease Month 109 – Lease Month 120	\$7,262,544.84	\$605,212.07
Lease Month 121 – Lease Month 132	\$7,480,421.28	\$623,368.44
Lease Month 133 – Lease Month 144	\$7,704,833.88	\$642,069.49
Lease Month 145 – Lease Month 156	\$7,935,978.84**	\$661,331.57

\* Subject to the terms set forth in Section 3.2 of this Lease, the Base Rent attributable to the six (6) month period commencing on the first (1st) day of the first (1<sup>st</sup>) full calendar month of the Lease Term and ending on the last day of the sixth (6<sup>th</sup>) full calendar month of the Lease Term shall be abated.

\*\* Annualized rate

5. Operating Expenses and Tax Expenses  
(Article 4):

This is a "TRIPLE NET" lease. To the extent such costs and expenses payable by Tenant cannot be charged directly to, and paid by, Tenant, such costs and expenses shall be paid by Landlord but reimbursed by Tenant as Additional Rent.

6. Tenant's Share  
(Article 4):

100%.

7. Permitted Use  
(Article 5):

Tenant shall use the Premises solely for general office, administrative, research and development, manufacturing, use, laboratory, data center use, ancillary use thereto and uses incidental thereto, which may include, without limitation, silicon wafer testing and probing (the "**Permitted Use**"); provided, however, that notwithstanding anything to the contrary set forth hereinabove, and as more particularly set forth in the Lease, Tenant shall be responsible for operating and maintaining the Premises pursuant to, and in no event may Tenant's Permitted Use violate, (A) Applicable Laws, as that term is set forth in Article 24 of this Lease, or (B) all applicable zoning, and building codes.

8. Intentionally omitted.

9. Parking  
(Article 28):

Tenant shall have exclusive use of the entire Project parking facilities.

10. Address of Tenant  
(Section 29.16):

Prior to Commencement Date:

SiTime Corporation  
5451 Patrick Henry Drive,  
Santa Clara, California 95054  
Samsheer Ahamad  
Telephone Number: [\*\*\*]  
E-mail: [\*\*\*]

After Lease Commencement Date:

SiTime Corporation.  
Premises  
Attention: Samsheer Ahamad  
Telephone Number: [\*\*\*]  
E-mail: [\*\*\*]

At all times with a copy to:

Cooley LLP  
11951 Freedom Drive, 14<sup>th</sup> Floor  
Reston, VA 20190  
Attn: Peter Crain

11. Address of Landlord  
(Section 29.16):

3250 Jay Street Owner LLC  
c/o FCP Management, Inc.  
345 S. San Antonio Road  
Los Altos, California 94022  
Attention: Bruce Burkard  
E-mail: [\*\*\*]

with copies to

FCP Management, Inc.  
345 S. San Antonio Road  
Los Altos, California 94022  
Attention: Jonel Porta  
E-mail: [\*\*\*]

and

Allen Matkins Leck Gamble Mallory & Natsis LLP  
1901 Avenue of the Stars, Suite 1800  
Los Angeles, California 90067-6019  
Attention: Elizabeth J. Wilgenburg, Esq.  
E-mail: [\*\*\*]

12. Broker  
(Section 29.20):

Representing Landlord and Tenant:

Cushman & Wakefield

- |   |   |
|---|---|
| 13. Improvement Allowances<br>(Section 2 of <b>Exhibit B</b> ): | See Section 3.1 of <b>Exhibit B</b> .   |
| 14. Amount Due Upon Lease Execution:                            | \$313,530.00, as first month's Base Rent<br>\$104,510.00, as first month's estimated Direct Expenses<br>\$418,040 Total |

**ARTICLE 1**

**PREMISES, BUILDINGS, AND PROJECT**

**1.1 Premises, Buildings, and Project**

1.1.1 **The Premises.** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises set forth in Section 2.2 of the Summary (the "**Premises**"). The outline of the Premises is set forth in Exhibit A attached hereto. The parties hereto agree that the lease of the Premises is upon and subject to the terms, covenants and conditions (the "**TCCs**") herein set forth, and Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of such TCCs by it to be kept and performed and that this Lease is made upon the condition of such performance. The parties hereto hereby acknowledge that the purpose of Exhibit A is to show the approximate location of the Premises in the Project, as that term is defined in Section 1.1.2, below, only, and such Exhibit is not meant to constitute an agreement, representation or warranty as to the construction of the Premises, the precise area thereof or the specific location of the any elements of the Project or of the accessways to the Premises or the Project, as that term is defined in Section 1.1.2, below. Except as specifically set forth in this Lease and in the Work Letter attached hereto as Exhibit B (the "**Work Letter**"), Tenant shall accept the Premises in its existing "as-is" condition and Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises. Tenant also acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty regarding the condition of the Premises, the Buildings or the Project or with respect to the suitability of any of the foregoing for the conduct of Tenant's business, except as specifically set forth in this Lease and the Work Letter. Notwithstanding the foregoing or anything to the contrary set forth herein, Landlord shall deliver the Premises to Tenant in Delivery Condition (as hereinafter defined). "**Delivery Condition**" means the Tenant Improvements have been Substantially Completed, and the Premises is vacant and broom clean. In addition, notwithstanding the foregoing, on the Substantial Completion of the Tenant Improvements, the Building Systems, and Building Structure, as those terms are defined in Section 7.1 of this Lease, shall be in good working condition and repair, watertight condition, and in compliance with Applicable Laws, to the extent required to allow the legal occupancy of the Premises for the Permitted Use and obtain permits for construction of the Tenant Improvements, and Landlord hereby covenants that the Building Systems shall remain in good working condition for a period of six (6) months following the Lease Commencement Date ("**Warranty Period**"). If the Building Systems or any component thereof is not in good working condition and repair, is not in compliance with Applicable Laws as required in the preceding sentence, or otherwise has failed or is inoperable during the Warranty Period, Landlord shall, at Landlord's sole cost and expense (which shall not be deemed an Operating Expense, as that term is defined in Section 4.2.1), promptly repair or replace any such Building Systems (or any portions or components thereof) ("**Landlord's Six Month Warranty**"), provided that the need to repair or replace was not caused by the misuse, misconduct, damage, destruction, and/or negligence of Tenant, its subtenants and/or assignees, if any, or any Tenant Parties, as that term is defined in Section 10.1, below (collectively, "**Tenant Damage**"), or by any Alterations, as that term is defined in Section 8.1 below, constructed by or on behalf of Tenant (excluding the Tenant Improvements). Landlord's Six Month Warranty shall not be deemed to require Landlord to replace any portion of the Building Systems, as opposed to repair such portion of such Building Systems, unless prudent commercial property management practices dictate replacement rather than repair of the item in question. To the extent repairs which Landlord is required to make pursuant to this Section 1.1.1 are necessitated in part by Tenant Damage and not covered by Landlord's insurance, then Tenant shall reimburse Landlord for an equitable proportion of the cost of such repair. Landlord represents and warrants to Tenant that, as of the Effective Date, Landlord has no actual knowledge of the presence of any Hazardous Materials in violation of Applicable Laws in, on, or under the Project, which are of such a nature that a federal, state, local or municipal governmental authority would require removal or other containment, if it had knowledge of the presence of such Hazardous Materials, in the

state, and under the conditions that they then exist in the Project, as such Environmental Laws are enforced against and applicable to the Project as of the Effective Date. Subject to compliance with Applicable Laws, Tenant shall have the right to access the Premises, Project, and the parking facilities, serving the Project twenty-four (24) hours per day, seven (7) days per week, three hundred sixty-five (365) days per year during the Lease Term.

1.1.2 **The Buildings and the Project.** The Premises is comprised of the entirety of the buildings set forth in Section 2.1 of the Summary (the "**Buildings**"). The term "**Project**," as used in this Lease, shall mean (i) the Buildings, and (ii) the land upon which the Buildings and parking facilities are located, including without limitation, the landscaping, outdoor amenity areas, parking structures and/or facilities and other improvements thereon (collectively, "**Common Areas**"). Tenant shall have the exclusive right to use the Project and all Common Areas during the Lease Term. Landlord represents and warrants to Tenant that no other tenants, licensees, or other occupants have rights to use or occupy the Project as of the Lease Commencement Date.

1.1.3 **Bridge Connection Between Building.** Tenant shall have the right to construct a bridge or elevated walkway connecting the Buildings (the "**Bridge**") on and subject to the following terms and conditions.

1.1.3.1 **Landlord Approval.** Tenant shall submit to Landlord for Landlord's prior written approval (which shall not be unreasonably withheld, conditioned, or delayed) complete plans and specifications covering each of the following elements (collectively, the "**Bridge Plans**"): (i) the architectural design, appearance, and materials of the Bridge, (ii) the proposed location, routing, and points of attachment or penetration to each building; and (iii) all structural, mechanical, electrical, and construction specifications, contractor credentials, insurance certificates, and a proposed construction schedule. Tenant shall use McClarney as the contractor that is constructing the Bridge, or another contractor approved by Landlord. The Bridge shall be constructed by Tenant as an Alteration in accordance with Article 8 below, and shall not be part of the Improvements scope of work, and shall not be a requirement for the occurrence of the Lease Commencement Date. Notwithstanding the terms of Article 8, Landlord shall review the Bridge Plans and provide written notice of approval or disapproval (with reasons stated) within ten (10) business days of receipt.

1.1.3.2 **Waiver of Restoration Obligation.** Notwithstanding any provision of this Lease requiring Tenant to remove Alterations or Improvements and restore the Premises at the expiration or termination of the Lease, if Landlord has granted written approval of all three elements identified in Section 1.1.3.1(i)-(iii) above, Tenant shall have no obligation to remove the Bridge or to restore the Premises or Buildings to their pre-Bridge condition upon expiration or earlier termination of this Lease; provided, however, that if Landlord's written approval expressly conditions approval on restoration, such condition shall control.

1.1.3.3 **Construction and Compliance.** Tenant shall construct the Bridge in strict conformance with Article 8 below, the approved Bridge Plans and in compliance with all Applicable Laws, and shall obtain all required permits prior to commencing construction. Notwithstanding the terms of this Lease, Tenant shall be solely responsible for maintenance, repair, replacement, and compliance with Applicable Laws with respect to the Bridge, notwithstanding that such Bridge may affect the Building Structure.

1.2 **Remeasurement of Rentable Square Feet of Premises and Buildings.** The Premises and Buildings shall be subject to remeasurement during the Lease Term by Landlord from time-to-time, but such remeasurement shall not (a) modify the Base Rent, Tenant Improvement Allowance or other percentages, amounts and number set forth in this Lease calculated using the rentable square footage of the Premises, or (b) increase Tenant's Direct Expenses.

## ARTICLE 2

### LEASE TERM; OPTION TERMS

2.1 **Initial Lease Term.** The TCCs and provisions of this Lease shall be effective as of the date of this Lease. The term of this Lease (the "**Lease Term**") shall be as set forth in Section 3.1 of the Summary, shall commence on the date set forth in Section 3.2 of the Summary (the "**Lease Commencement Date**"), and shall terminate on the date set forth in Section 3.3 of the Summary (the "**Lease Expiration Date**") unless this Lease is sooner terminated as hereinafter provided. The term "**Lease Year**" shall mean each consecutive twelve (12) calendar month period during the Lease Term; provided, however, that the first Lease Year shall commence on the Lease Commencement Date and end on the last day of the month in

which the first anniversary of the Lease Commencement Date occurs (or if the Lease Commencement Date is the first day of a calendar month, then the first Lease Year shall commence on the Lease Commencement Date and end on the day immediately preceding the first anniversary of the Lease Commencement Date), and the second and each succeeding Lease Year shall commence on the first day of the next calendar month; and further provided that the last Lease Year shall end on the Lease Expiration Date. The term "**Lease Month**" shall mean each succeeding calendar month during the Lease Term; provided, however, that the first Lease Month shall commence on the Lease Commencement Date and shall end on the last day of the first (1<sup>st</sup>) full calendar month of the Lease Term (or if the Lease Commencement Date is the first day of a calendar month, then the first Lease Month shall be that calendar month) and that the last Lease Month shall expire on the Lease Expiration Date. At any time during the Lease Term, Landlord may deliver to Tenant a Notice of Lease Term Dates substantially in the form set forth in Exhibit C attached hereto, as a confirmation only of the information set forth therein, which Tenant shall execute and return to Landlord within thirty (30) days of receipt thereof.

2.2 **Extension Option.** Tenant's Extension Options (hereinafter defined) shall be as provided in accordance with the terms and conditions of Exhibit F attached hereto.

2.3 **Beneficial Occupancy.** Subject to the terms of this Section 2.3, if the Substantial Completion of the Tenant Improvements has occurred prior to the Lease Commencement Date, Tenant shall have the right thereafter to commence beneficial occupancy of the Premises for Tenant's business operations; provided that (i) Tenant shall give Landlord at least five (5) days' prior written notice of any occupancy of the Premises (which may be effectuated by email delivery) for the conduct of Tenant's business prior to the Lease Commencement Date, (ii) a certificate of occupancy, temporary certificate of occupancy, or legal equivalent shall have been issued by the appropriate governmental authorities for the Premises to be occupied for the conduct of Tenant's business, (iii) Tenant has delivered to Landlord satisfactory evidence of the insurance coverage required to be carried by Tenant in accordance with Article 10 below, and (iv) all of the terms and conditions of the Lease shall apply as though the Lease Commencement Date had occurred upon Tenant's commencement of the conduct of its business in the Premises, except that Tenant has no obligation to pay Base Rent during such period of early occupancy.

### **ARTICLE 3**

#### **BASE RENT**

3.1 **In General.** Tenant shall pay to Landlord, without prior notice or demand, base rent ("**Base Rent**") as set forth in Section 4 of the Summary, payable in monthly installments as set forth in Section 4 of the Summary in advance on or before the first day of each and every calendar month during the Lease Term, without any setoff or deduction whatsoever. The prepaid Base Rent set forth in Section 14 of the Summary shall be paid at the time of Tenant's execution and delivery of this Lease. All payments required to be made by Tenant to Landlord hereunder (including, without limitation, Base Rent) shall be paid to Landlord or Landlord's agent, at Landlord's option, by wire transfer, Electronic Funds Transfer, at the management office of the Project or at such other place or method as Landlord may from time to time designate in writing, in immediately available funds that, at the time of payment, are legal tender for private or public debts in the United States of America. If no time period for payment is specified in this Lease, Tenant shall make all required payments within thirty (30) days after Landlord's request and delivery of an invoice.

3.2 **Base Rent Abatement.** Subject to the terms of this Lease, Tenant shall not be obligated to pay any Base Rent otherwise attributable to the Premises with respect to the six (6) month period commencing on the first (1<sup>st</sup>) day of the first (1<sup>st</sup>) full calendar month of the Lease Term and ending on the last day of the sixth (6<sup>th</sup>) full calendar month of the Lease Term (collectively, the "**Base Rent Abatement**"). The maximum aggregate amount of the Base Rent Abatement shall be equal to \$1,878,660.00 (*i.e.*, \$313,110.00 per month).

3.3 **Abated Rent Buy-Out.** If this Lease or any amendment hereto contains any provision for the abatement of Rent granted by Landlord as an inducement or concession to secure this Lease or amendment hereto (other than as a result of casualty, condemnation, or interruption of services), then in connection with any sale, financing or refinancing of the Building or Project, Landlord shall have the right to buy out all or any portion of the abated Rent at any time prior to the expiration of the abatement period by (1) providing written notice thereof to Tenant and (2) paying to Tenant the amount of abated Rent then remaining due. If Landlord elects to buy out all or a portion of the Base Rent Abatement, Landlord and Tenant shall, at

Landlord's option, enter into an amendment to the Lease documenting the adjusted Base Rent Abatement; provided, however, all other provisions of the Lease shall remain unchanged.

## ARTICLE 4

### ADDITIONAL RENT

4.1 **In General.** In addition to paying the Base Rent specified in Article 3 of this Lease, Tenant shall directly pay for (i) all utilities charges accruing with regard to the Project following the date exclusive possession of the same is tendered to Tenant pursuant to the TCCs of this Lease and continuing throughout the Lease Term, and (ii) the cost of performing all services and operations which are Tenant's direct responsibility pursuant to the TCCs of this Lease, and (iii) all other costs required to be paid directly by Tenant pursuant to the TCCs of this Lease. Additionally, Tenant shall pay to Landlord the costs of any Direct Expenses as such term is defined in Section 4.2.2, incurred during the Lease Term. Such payments by Tenant, together with any and all other amounts payable by Tenant to Landlord pursuant to the TCCs of this Lease, are hereinafter collectively referred to as the "**Additional Rent**," and the Base Rent and the Additional Rent are herein collectively referred to as "**Rent**." All amounts due under this Article 4 as Additional Rent shall be payable in the same manner as the Base Rent and (x) to the extent the monthly portion of the same are timely identified as an Estimated Direct Expense pursuant to the TCCs of Section 4.4.2 of this Lease (i.e., a "scheduled" payment), the same shall be payable concurrently with Base Rent, or (y) to the extent such Additional Rent is not "scheduled" pursuant to (x) and the TCCs of Section 4.4.2, then the same shall be payable within thirty (30) days after Tenant's receipt of an invoice therefor. Subject to Section 4.4.1, without limiting the other obligations of Tenant and Landlord which survive the expiration of the Lease Term (as may be extended pursuant to the terms of Section 2.2 above, or reduced pursuant to an earlier termination of this Lease), the obligations of Tenant to pay the Additional Rent and Landlord's obligation to refund to Tenant any overpayments of such Additional Rent shall survive the expiration of the Lease Term, subject to Section 4.4.1 below.

4.2 **Definitions of Key Terms Relating to Additional Rent.** As used in this Article 4, the following terms shall have the meanings hereinafter set forth:

4.2.1 "**Operating Expenses**" shall mean the costs of (i) insurance maintained by Landlord in connection with the Project in accordance with the TCCs of Section 10.2 of this Lease; (ii) performing Landlord's Maintenance Responsibilities (as that term is defined in Section 7.7 below) and Landlord's compliance with law obligations as set forth in this Lease with respect to laws enacted after the Effective Date, including, without limitation, the cost of capital improvements or other capital costs incurred in connection with Landlord's Maintenance Responsibilities; provided, however, that any capital expenditure shall be amortized with interest at the Interest Rate over its useful life as Landlord shall reasonably determine in accordance with sound real estate management and accounting practices, consistently applied; (iii) costs, fees, charges or assessments imposed by, or resulting from any mandate imposed on Landlord by, any federal, state or local government for fire and police protection, trash removal, community services, or other services which do not constitute "Tax Expenses" as that term is defined in Section 4.2.5.1, below; and (iv) payments under any New Underlying Documents. Notwithstanding the foregoing or anything to the contrary set forth herein, Operating Expenses shall not include the following: (1) any ground lease rental; (2) costs incurred by Landlord to the extent that Landlord is reimbursed by insurance or other third parties; (3) leasing commissions, attorneys' fees, and other costs and expenses incurred in connection with negotiations or disputes with present or prospective tenants or other third parties; (4) interest, principal, points and fees on debt or amortization on any mortgage or mortgages or any other debt instrument encumbering the Buildings; (5) any compensation paid to clerks, attendants, or other persons in commercial concessions operated by Landlord; (6) advertising and promotional expenditures and costs of signs in or on the Buildings identifying the owner of the Buildings; (7) any costs incurred in connection with Landlord's Six Month Warranty; (8) wages, salaries, fees and fringe benefits paid to administrative or executive personnel or officers or partners of Landlord or management agent or anyone else over the level of building supervisor; (9) any cost representing an amount paid for first class services and/or materials to a related person, firm, or entity to the extent such amount exceeds the amount that would be paid for such first class services and/or materials at the then existing market rates to an unrelated person, firm, or entity; (10) costs incurred due to the late payment of taxes, utility bills or other amounts owing from Landlord, so long as Landlord was obligated to make such payments and did not in good

faith dispute the amount of such payments; (11) general overhead and general administrative expenses and accounting, record-keeping and clerical support of Landlord or the management agent; (12) costs incurred for any items to the extent Landlord recovers under a manufacturer's, materialmen's vendor's or contractor's warranty; (13) costs of acquisition of sculpture, paintings, or other objects of art; (14) costs or fees relating to the defense of Landlord's title or interest in the real estate containing the Buildings, or any part thereof; (15) costs or expenses incurred by Landlord in financing, refinancing, pledging, selling, granting or otherwise transferring or encumbering ownership rights in the Buildings or Project; (16) any bad debt loss; (17) increased insurance premiums caused by Landlord's hazardous acts; (18) costs incurred to test, survey, clean up, contain, abate, remove or otherwise remedy Hazardous Materials (hereinafter defined) that were not brought onto the Project by Tenant or other Tenant Parties (as hereinafter defined); (19) costs and expenses incurred in connection with any transfer of any interest in Landlord, the Building, or the Project (as distinguished from costs resulting from such transfer, which costs shall be included in Operating Expenses and Tax Expenses, as applicable); and (20) property management fees (since Tenant is paying the Property Management Fee separately, as set forth below). Operating Expenses shall be reduced by all cash discounts, trade discounts or quantity discounts received by Landlord or Landlord's managing agent in the purchase of any goods, utilities or services in connection with the prudent operation of the Building. In the calculation of any expenses hereunder, it is understood that no expense shall be charged more than once. In the event there exists a conflict as to an expense which is specified to be included in Operating Expenses and is also specified to be excluded from Operating Expenses within the above list, the exclusions listed above shall prevail and the expenses shall be deemed excluded. Landlord shall not recover more than 100% of the Operating Expenses actually incurred by Landlord.

4.2.2 "**Direct Expenses**" shall mean Operating Expenses, Tax Expenses, and the Project Management Fee (defined hereinbelow).

4.2.3 "**Expense Year**" shall mean each calendar year in which any portion of the Lease Term falls, through and including the calendar year in which the Lease Term expires, provided that Landlord, upon notice to Tenant, may change the Expense Year from time to time to any other twelve (12) consecutive month period, and, in the event of any such change, Tenant's Share of Direct Expenses shall be equitably adjusted for any Expense Year involved in any such change.

4.2.4 **Project Management Fee.** Tenant shall pay to Landlord a management fee, determined with respect to each Expense Year, for the management of the Project (not to exceed two percent (2%) of gross revenue for the Project) ("**Project Management Fee**"). The calculation (and estimated calculation, as applicable) of the Project Management Fee shall be included as an additional line item on any Statement or Estimate Statement (as those terms are defined, respectively in Sections 4.4.1 and 4.4.2 below) provided to Tenant.

4.2.5 **Tax Expenses.**

4.2.5.1 **Inclusions.** "**Tax Expenses**" shall mean all federal, state, county, or local governmental or municipal taxes, fees, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary, (including, without limitation, real estate taxes, general and special assessments, transit taxes, leasehold taxes or taxes based upon the receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Project, or any portion thereof), which shall be paid or accrued during any Expense Year (without regard to any different fiscal year used by such governmental or municipal authority) because of or in connection with the ownership, leasing and operation of the Project, or any portion thereof. Tax Expenses shall include, without limitation: (i) any tax on the rent, right to rent or other income from the Project, or any portion thereof, or as against the business of leasing the Project, or any portion thereof; (ii) any assessment, tax, fee, levy or charge in addition to, or in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property tax, it being acknowledged by Tenant and Landlord that Proposition 13 was adopted by the voters of the State of California in the June 1978 election ("**Proposition 13**") and that assessments, taxes, fees, levies and charges may be imposed by governmental agencies for such services as fire protection, street, sidewalk and road maintenance, refuse removal and for other governmental services formerly provided without charge to property owners or occupants, and, in further recognition of the decrease in the level and quality of governmental services and amenities as a result of Proposition 13, (iii) any

governmental or private assessments or the Project's contribution towards a governmental or private cost-sharing agreement for the purpose of augmenting or improving the quality of services and amenities normally provided by governmental agencies; (iv) any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises or the Rent payable hereunder, including, without limitation, any business or gross income tax or excise tax with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof; (v) any assessment, tax, fee, levy or charge, upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises; and (vi) all of the real estate taxes and assessments imposed upon or with respect to the Building and all of the real estate taxes and assessments imposed on the land and improvements comprising the Project. Notwithstanding the foregoing, Tax Expenses shall not include any amounts that Landlord elects to charge to Tenant directly pursuant to Section 4.5.2 below.

4.2.5.2 **In General.** Any costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in attempting to protest, reduce or minimize Tax Expenses shall be included in Tax Expenses in the Expense Year such expenses are paid. Refunds of Tax Expenses shall be credited against Tax Expenses and refunded to Tenant regardless of when received, based on the Expense Year to which the refund is applicable, provided that in no event shall the amount to be refunded to Tenant for any such Expense Year exceed the total amount paid by Tenant as Tax Expenses under this Article 4 for such Expense Year. If Tax Expenses for any period during the Lease Term or any extension thereof are increased after payment thereof for any reason, including, without limitation, error or reassessment by applicable governmental or municipal authorities, Tenant shall pay Landlord upon demand Tenant's Share of any such increased Tax Expenses included by Landlord as Tax Expenses pursuant to the TCCs of this Lease. Notwithstanding anything to the contrary set forth in this Lease, Tenant shall have the right, at its option and sole expense, to institute proceedings to reduce Tax Expenses during the Lease Term.

4.2.5.3 **Exclusions.** Notwithstanding anything to the contrary contained in this Section 4.2.5 (except as set forth in Section 4.2.5.2 above), there shall be excluded from Tax Expenses (i) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes to the extent applicable to Landlord's general or net income (as opposed to rents, receipts or income attributable to operations at the Project), (ii) any items included as Operating Expenses, (iii) any items paid by Tenant under Section 4.5 of this Lease, and (iv) any fees, penalties or interest incurred due to Landlord's failure to pay any Tax Expenses as and when due; provided, however, Tenant shall be solely responsible for any fees, penalties or interest incurred due to Tenant's delinquency in paying any Tax Expenses.

4.2.6 "Tenant's Share" shall mean the percentage set forth in Section 6 of the Summary.

#### 4.3 **Intentionally Omitted.**

4.4 **Calculation and Payment of Additional Rent.** Tenant shall pay to Landlord, in the manner set forth in Section 4.4.1, below, and as Additional Rent, Tenant's Share of Direct Expenses for each Expense Year.

4.4.1 **Statement of Actual Direct Expenses and Payment by Tenant.** Landlord shall use reasonable efforts to give to Tenant within one hundred and eighty (180) days following the end of each Expense Year, a statement (the "**Statement**") which shall state in detailed categories the Direct Expenses incurred or accrued for such preceding Expense Year, and which shall indicate the amount of Tenant's Share of Direct Expenses. Upon receipt of the Statement for each Expense Year commencing or ending during the Lease Term, Tenant shall pay, within thirty (30) days after receipt of the Statement, the full amount of Tenant's Share of Direct Expenses for such Expense Year, less the amounts, if any, paid during such Expense Year as Estimated Direct Expenses, as that term is defined in Section 4.4.2, below, and if Tenant paid more as Estimated Direct Expenses than the actual Tenant's Share of Direct Expenses (an "**Excess**"), Tenant shall receive a credit in the amount of such Excess against Rent next due under this Lease or if this Lease has expired or early terminated, Landlord shall refund the Excess to Tenant within thirty (30) days after the date of the Statement. Subject to this Section 4.4.1 the failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord or Tenant from enforcing its rights under this Article 4. Even though the Lease Term has expired and Tenant has vacated the Premises, when

the final determination is made of Tenant's Share of Direct Expenses for the Expense Year in which this Lease terminates, if Tenant's Share of Direct Expenses is greater than the amount of Estimated Direct Expenses previously paid by Tenant to Landlord, Tenant shall, within thirty (30) days after receipt of the Statement, pay to Landlord such amount, and if Tenant paid more as Estimated Direct Expenses than the actual Tenant's Share of Direct Expenses (again, an Excess), Landlord shall, within thirty (30) days, deliver a check payable to Tenant in the amount of such Excess. The provisions of this Section 4.4.1 shall survive the expiration or earlier termination of the Lease Term. Notwithstanding the immediately preceding sentence or anything to the contrary set forth herein, Tenant shall not be responsible for Tenant's Share of any Direct Expenses attributable to any Expense Year which are first billed to Tenant more than one (1) calendar year after the Expense Year to which such Direct Expenses related, provided that in any event Tenant shall be responsible for Tenant's Share of Direct Expenses which are levied by any governmental authority or by any public utility companies at any time following the Lease Expiration Date which are attributable to any Expense Year and further provided that Landlord delivers Tenant a bill (a "**Supplemental Statement**") for such amounts within sixty (60) days following Landlord's receipt of the bill therefor.

4.4.2 **Statement of Estimated Direct Expenses.** In addition, Landlord shall give Tenant a yearly expense estimate statement (the "**Estimate Statement**") which shall set forth on a line-item basis for each detailed category of Landlord's reasonable estimate (the "**Estimate**") of what the total amount of Direct Expenses for the then-current Expense Year shall be and the estimated Tenant's Share of Direct Expenses (the "**Estimated Direct Expenses**"). Landlord shall use commercially reasonable efforts to deliver such Estimate Statement to Tenant on or before May 1 following the end of the Expense Year to which such Estimate Statement relates. The failure of Landlord to timely furnish the Estimate Statement for any Expense Year shall not preclude Landlord from enforcing its rights to collect any Estimated Direct Expenses under this Article 4, nor shall Landlord be prohibited from revising any Estimate Statement or Estimated Direct Expenses theretofore delivered to the extent necessary. Thereafter, Tenant shall pay, within thirty (30) days after receipt of the Estimate Statement, a fraction of the Estimated Direct Expenses for the then-current Expense Year (reduced by any amounts paid pursuant to the second to last sentence of this Section 4.4.2). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year, including the month of such payment, and twelve (12) as its denominator. Until a new Estimate Statement is furnished (which Landlord shall have the right to deliver to Tenant at any time but no more than twice per Expense Year), Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12<sup>th</sup>) of the total Estimated Direct Expenses set forth in the previous Estimate Statement delivered by Landlord to Tenant. Throughout the Lease Term Landlord shall maintain records with respect to Direct Expenses in accordance with sound real estate management and accounting practices, consistently applied.

#### 4.5 **Taxes and Other Charges for Which Tenant Is Directly Responsible.**

4.5.1 Tenant shall be liable for and shall pay before delinquency, taxes levied against Tenant's equipment, furniture, fixtures and any other personal property located in or about the Premises. If any such taxes on Tenant's equipment, furniture, fixtures and any other personal property are levied against Landlord or Landlord's property or if the assessed value of Landlord's property is increased by the inclusion therein of a value placed upon such equipment, furniture, fixtures or any other personal property and if Landlord pays the taxes based upon such increased assessment, which Landlord shall have the right to do regardless of the validity thereof but only under proper protest if requested by Tenant, Tenant shall within thirty (30) days after demand repay to Landlord the taxes so levied against Landlord or the proportion of such taxes resulting from such increase in the assessment, as the case may be.

4.5.2 Intentionally omitted.

4.6 **Landlord's Records.** Upon Tenant's written request given not more than ninety (90) days after Tenant's receipt of a Statement for a particular Expense Year, and provided that no Event of Default is then occurring under this Lease, Landlord shall furnish Tenant with such supporting documentation evidencing all costs set forth on the applicable Statement, as Tenant may reasonably request in connection with the calculation of Direct Expenses as set forth in such Statement (to the extent Landlord has such supporting documentation readily available, and to the extent such supporting documentation is reasonably required to substantiate Direct Expenses charged to Tenant). Landlord shall provide said documentation to Tenant within sixty (60) days after Tenant's written request therefor.

4.7 **Audit Right.** Within twelve (12) months after Tenant's receipt of a Statement for a particular Expense Year (the "**Audit Period**"), if Tenant disputes the calculation of Operating Expenses set forth in such Statement, an independent certified public accountant designated and paid for by Tenant ("**Tenant's Accountant**"), may after reasonable notice to Landlord and at reasonable times, audit Landlord's records with respect to the Statement, provided that no Tenant default is then occurring under this Lease beyond applicable notice and cure periods. Tenant's Accountant must (A) be a member of a nationally or regionally recognized certified public accounting firm which has previous experience in auditing financial operating records of landlords, and (B) not be retained on a contingency fee basis. In connection with such audit, following Landlord's request, Tenant and Tenant's Accountant shall execute a commercially reasonable confidentiality agreement regarding such audit. Tenant's failure to audit the Operating Expenses set forth in any Statement within the Audit Period shall be deemed to be Tenant's approval of such Statement and Tenant, thereafter, waives the right or ability to audit the amounts set forth in such Statement. If after such audit, Tenant still disputes such Operating Expenses, an audit to determine the proper amount shall be made by an independent certified public accountant (the "**Neutral Accountant**") selected by Landlord and subject to Tenant's reasonable approval. The costs of the Neutral Accountant shall be paid equally by Landlord and Tenant; provided that if such audit by the Neutral Accountant proves that the Operating Expenses in the subject Expense Year were overstated by more than three percent (3%), then the cost of the Neutral Accountant and the out-of-pocket cost of Tenant's Accountant shall be paid for by Landlord.

## **ARTICLE 5**

### **USE OF PREMISES**

5.1 **Permitted Use.** Tenant shall use the Premises solely for the Permitted Use set forth in Section 7 of the Summary and Tenant shall not use or permit the Premises or the Project to be used for any other purpose or purposes whatsoever without the prior written consent of Landlord, which may be withheld in Landlord's sole and absolute discretion.

5.2 **Prohibited Uses.** The uses prohibited under this Lease shall include, without limitation, use of the Premises or a portion thereof for (i) offices of any agency or bureau of the United States or any state or political subdivision thereof; (ii) offices or agencies of any foreign governmental or political subdivision thereof; (iii) schools or other training facilities which are not ancillary to corporate, executive or professional office use; or (iv) retail or restaurant uses. Tenant further covenants and agrees that it shall not use, or suffer or permit any person or persons to use, the Premises in violation of the commercially reasonable and non-discriminatory rules and regulations promulgated by Landlord from time to time ("**Rules and Regulations**"), the current set of which (as of the date of this Lease) is attached to this Lease as **Exhibit D**; provided, however, Landlord shall not enforce, change or modify the Rules and Regulations in a discriminatory manner and Landlord agrees that the Rules and Regulations shall not be unreasonably modified or enforced in a manner which will unreasonably interfere with the normal and customary conduct of Tenant's business, and the Rules and Regulations will only be amended following at least thirty (30) days' prior written notice to Tenant. In the event of a conflict between the Rules and Regulations and the terms of this Lease, the terms of this Lease shall control.

5.3 **Underlying Documents.** If Landlord requires that this Lease become subordinate to any easement, license, operating agreement, declaration, development agreements, owner's participation agreements, disposition and development agreements, restrictive covenant, or instrument pertaining to the sharing of costs by the Buildings or Project executed following the Effective Date, including, without limitation, any covenants, conditions and restrictions affecting the property, and reciprocal easement agreements affecting the property, and any agreements with transit agencies affecting the Project (collectively, "**New Underlying Documents**"), then Landlord shall not enter into any such New Underlying Documents, without Tenant's prior written consent (which may be granted or withheld in Tenant's sole discretion) to the extent such New Underlying Documents may, in Tenant's reasonable business judgment, (i) interfere with Tenant's use of or access to the Premises or parking facilities, or operation of its business within the Premises consistent with Tenant's use rights expressly set forth in this Lease, (ii) interfere with any of Tenant's Signage, (iii) materially interfere with any of Tenant's other rights expressly set forth in this Lease, (iv) decrease Tenant's rights under this Lease; and/or (v) increase the costs or obligations imposed on Tenant under this Lease. If a New Underlying Document would not violate the terms of item (i) through (v)

above, or if Landlord otherwise does not require that this Lease be subordinate to such New Underlying Document, then Tenant's consent to the New Underlying Document shall not be required.

#### 5.4 **Tenant Amenity.**

5.4.1 **Cafeteria.** To the extent permitted by Applicable Laws, Tenant, at Tenant's sole cost and expense, may use a portion of the Premises for the operation of a cafeteria (the "**Cafeteria**"), for the exclusive use of Tenant's employees and guests in an area of the Premises reasonably designated by Tenant in consultation with Landlord. Tenant shall not sell any food or beverages in or from the Premises at any time and/or serve any food and beverages in or from the Premises at any time to other tenants or occupants of the Project (or their employees) or to members of the general public. No cooking odors shall be emitted from the Premises other than through ventilation equipment and systems installed therein to service the Cafeteria in accordance with the provisions of this Section 5.4.

5.4.2 **Fitness Center.** To the extent permitted by Applicable Laws, Tenant may use a portion of the Premises for the operation of a fitness center (the "**Fitness Center**") which may include, without limitation, the following uses: weight and aerobic training, personal training, group training, aerobics, free weights, and treadmills, stationary bicycles, elliptical machines, and stair-climbing machines, and shall in no event include installation or operation of a swimming pool, sauna or whirlpool facilities. The Fitness Center shall be for the exclusive use of Tenant's employees and guests and Tenant shall not make the Fitness Center available to members of the general public.

#### 5.4.3 **General Terms Applicable to Tenant Amenity.**

5.4.3.1 **Third Party Operator.** Tenant may elect to retain or engage a third party (a "**Third Party Operator**") to operate a Cafeteria and/or Fitness Center ("**Tenant Amenity**"); provided that the Third Party Operator must comply with, all of the TCCs and obligations on Tenant's part to be observed and performed under this Lease applicable to the operation of such Tenant Amenity, including the requirement to obtain insurance in the requisite amounts and to indemnify, defend and hold Landlord harmless from and against any Losses resulting from the use and operations of any Tenant Amenity. Any violation of any provision of this Lease by the Third Party Operator shall be deemed to be a default by Tenant under such provision. The Third Party Operator shall have no recourse against Landlord whatsoever on account of any failure by Landlord to perform any of its obligations under this Lease or on account of any other matter. The Third Party Operator shall be a Tenant Party, and Tenant shall be fully and primarily liable for all acts and omissions of such Third Party Operator as fully and completely as if such Third Party Operator was an employee of Tenant. In no event shall the occupancy of any portion of the Premises by any Third Party Operator be deemed to create a landlord/tenant relationship between Landlord and such Third Party Operator or be deemed to vest in Third Party Operator any right or interest in the Premises or this Lease, and, in all instances where Tenant engages a Third Party Operator to operate the Tenant Amenity, Tenant shall be considered the sole tenant under the Lease notwithstanding the occupancy of any portion of the Premises by any Third Party Operator. Upon request from Landlord, Tenant shall provide to Landlord a copy of any agreement between Tenant and the Third Party Operator and the insurance required to be maintained by Third Party Operator prior to the Third Party Operator being allowed access to the Premises by Tenant. Any equipment or other property of the Third Party Operator in the Project shall be considered Tenant's Property (hereinafter defined).

5.4.3.2 **Licensing; Permits and Operation.** The Tenant Amenity shall be constructed, if at all, as part of the Tenant Improvements or as an Alteration. In addition, Landlord, in its reasonable discretion, may require (a) to the extent that the Cafeteria includes commercial cooking capabilities (as opposed to warming and preparation facilities only), the installation of ventilation, grease traps/grease interceptors in connection with any Cafeteria, and (b) emergency drainage and leak detection water sensors in connection with the installation of any shower facilities in the Fitness Center, at Tenant's sole cost and expense (or as a deduction from the Improvement Allowance, if installed as part of the Tenant Improvements). In connection with the construction of the Fitness Center, the party constructing the Tenant Amenity shall also install any structural floor reinforcement and noise/vibration dampening measures reasonable required by Landlord.

5.5 **Tenant's Dogs.** With the exception of "service" animals (as defined by the Americans with Disabilities Act, the Fair Employment and Housing Act, and their accompanying guidelines or other Applicable Laws) ("**Service Animals**") and "Tenant's Dogs" (as defined below), no animals, reptiles, birds or pets are permitted in the Premises, Building or Project at any time. Any Service Animals brought to the Premises, Building or Project must (i) be dogs or other animals

that are recognized as Service Animals under Title III of the Americans with Disabilities Act, the Fair Employment and Housing Act, and their accompanying guidelines or other Applicable Laws, and (ii) be individually trained to do work, perform tasks or provide support for a person with a recognized disability. Subject to the terms of this Section 5.5, Tenant shall be permitted to bring dogs into the Premises (which dogs are owned by Tenant or an officer or employee of Tenant) ("**Tenant's Dogs**"). The following terms shall apply to all of Tenant's Dogs brought onto the Project by Tenant or Tenant's employees (to the extent enforceable by Applicable Laws): (1) Tenant's Dogs shall be house-trained and vaccinated in accordance with Applicable Laws; (2) Tenant's Dogs shall utilize only designated "relief" areas within the Project for animal waste (which areas shall be reasonably designated by Tenant) and Tenant shall immediately remove any animal waste and excrement from the Premises, Building and Project (provided, however, Tenant shall be permitted to install animal waste receptacles in the designated relief areas and schedule disposal of the contents thereof at reasonable intervals); and (3) Tenant's Dogs shall not be brought to the Project if such dog is ill or contracts a disease that could potentially threaten the health or wellbeing of any tenant or occupant of the Building (which diseases may include, but shall not be limited to, rabies, leptospirosis and Lyme disease).

## ARTICLE 6

### SERVICES AND UTILITIES

6.1 **Providing Services and Utilities.** Without limiting Landlord's obligations set forth in the Work Letter, Landlord shall not be responsible for, and Tenant shall be solely responsible for, furnishing to the Project all utilities and public services necessary for the safe and lawful operation of the Project and as are necessary to fulfill Tenant's (and, if applicable, Landlord's) obligations under this Lease, including without limitation electricity, potable water, natural gas, sewage disposal, solid waste disposal, heating, air conditioning and ventilation required for the comfortable use and occupation of the Project, and Project security (to the extent desired by Tenant) and janitorial service. In connection with the foregoing, Tenant shall directly pay one hundred percent (100%) of the cost of all such utilities and services (e.g., electricity, gas, sewer and water utilities and Project security and janitorial services) attributable to its use of the Project, which payments shall be made prior to the date on which the same are due to the applicable utility and service providers. Tenant shall cooperate with Landlord at all times and abide by all commercially reasonable regulations and requirements that Landlord may reasonably prescribe for the proper functioning and protection of the Building Systems. If Tenant fails to provide any of the services to be provided by Tenant pursuant to this Section 6.1 above, Landlord may, after written notice to Tenant and Tenant's failure to provide the same within ten (10) days thereafter, but need not, perform such services on Tenant's behalf, and Tenant shall pay Landlord the actual cost thereof, including three percent (3%) of the cost thereof to reimburse Landlord for all overhead, general conditions, fees and other costs or expenses arising from Landlord's involvement with such services forthwith upon being billed for same. Landlord covenants and agrees that Landlord shall grant commercially reasonable easements and/or licenses to any utility provider or contractor requested by Tenant in connection with the Power Upgrades (hereinafter defined).

6.2 **Tenant Maintained Security.** Tenant hereby acknowledges that Landlord shall have no obligation to provide guard service or other security measures for the benefit of the Premises or the Project. Any such security measures for the benefit of the Premises or the Project may be provided by Tenant, at Tenant's sole cost and expense. Tenant hereby assumes all responsibility for the protection of Tenant and its agents, employees, contractors, invitees and guests, and the property thereof, from acts of third parties, including keeping doors locked and other means of entry to the Premises closed.

6.3 **Interruption of Use.** Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, except as expressly set forth herein, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by breakage, repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Buildings or Project after reasonable effort to do so, by any riot or other dangerous condition, emergency, accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause beyond Landlord's reasonable control; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant

from paying Rent or performing any of its obligations under this Lease. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this [Article 6](#). Notwithstanding anything to the contrary set forth herein, if any interruption of utilities or service, which is due to the negligence or willful misconduct of Landlord, its agents or employees (an "**Abatement Event**"), shall continue for more than three (3) consecutive business days following notice from Tenant to Landlord (the "**Initial Abatement Notice**") and such interruption causes all or a portion of the Premises to be untenantable and unusable by Tenant and Tenant actually ceases to use all or such portion of the Premises, then Tenant may deliver an additional notice to Landlord (the "**Additional Abatement Notice**"), specifying such Abatement Event and Tenant's intention to abate the payment of Rent under this Lease. If Landlord does not cure such Abatement Event within two (2) business days of receipt of the Additional Abatement Notice, Tenant may, upon written notice to Landlord, immediately abate Base Rent and Direct Expenses payable under this Lease for that portion of the Premises rendered untenantable and not actually used by Tenant, for the period beginning on the date five (5) business days prior to delivery of the Additional Abatement Notice to the earlier of the date Landlord cures such Abatement Event or the date Tenant recommences the use of such portion of the Premises. Such right to abate Rent shall be Tenant's sole and exclusive remedy at law or in equity to abate Rent for an Abatement Event.

6.4 **Security Systems.** Tenant shall have the right to install a card key security system ("**Tenant's Security System**") to control access to the Premises and, to control access to the Buildings. Tenant's Security System shall be subject to Landlord's prior review and approval (not to be unreasonably withheld, conditioned, or delayed), and the installation thereof shall be deemed an Alteration and shall performed pursuant to [Article 8](#) of this Lease, below. In addition, Tenant shall coordinate the selection, installation and operation of Tenant's Security System with Landlord in order to ensure that Tenant's Security System is compatible with Landlord's existing Project security systems and equipment, and to the extent that Tenant's Security System is not compatible with Landlord's existing Project systems and equipment, Tenant shall not be entitled to install and/or operate the Tenant's Security System. Tenant shall be solely responsible, at Tenant's sole cost and expense, for the installation, monitoring, operation and removal of Tenant's Security System. In no event shall Landlord be liable for any Losses arising from, such system or the malfunctioning thereof.

6.5 **Emergency Generator.** In accordance with, and subject to, (i) the terms and conditions hereof, (ii) Applicable Laws, (iii) New Underlying Documents and (iv) to the extent required, approval from the city of Santa Clara, Tenant shall have the right to install an emergency generator and ancillary equipment (the "**Emergency Generator**") in an area mutually approved by Landlord and Tenant (the "**Generator Area**"), in order to provide emergency electricity service to the Premises. Landlord shall deliver, and Tenant shall accept, the Generator Area in its "as-is", "where-is" condition. The Emergency Generator, if installed by Tenant, shall be deemed to be included within the definition of Tenant's Off-Premises Equipment. Tenant shall operate, service, maintain and repair any Emergency Generator, as part of Tenant's Maintenance Responsibilities and in accordance with all Applicable Laws.

6.5.1 **Installation of Emergency Generator.** If Tenant elects to install the Emergency Generator, Tenant shall give Landlord prior notice thereof and shall submit to Landlord construction ready plans and specifications for the Emergency Generator for Landlord's review and approval prepared by a registered professional engineer reasonably approved by Landlord, which specify in detail the design, location, size, capacity, model, weight, and fuel source of the Emergency Generator (such submission, review and approval shall be governed by [Article 8](#), the Work Letter and this [Section 6.5](#), as applicable); provided, however, that Landlord may withhold consent in its sole and absolute discretion if the Emergency Generator is not compatible with the Building Systems.

6.5.2 **Use of Emergency Generator.** The Emergency Generator shall be used by Tenant only during (i) testing and regular maintenance, and (ii) the period of any electrical power outage in the applicable Building. Tenant shall be entitled to operate the Emergency Generator, and such connections to the applicable Building, for testing and regular maintenance at times reasonably approved by Landlord. If the Emergency Generator uses any utilities, Tenant shall either pay the provider directly, or pay to Landlord the monthly submeter charges, throughout the Lease Term. Tenant shall maintain all permits necessary for the maintenance and operation of the Emergency Generator, and all such permits shall be in Tenant's name. Tenant shall not be entitled to license its Emergency Generator to any third party (other than Transferees permitted hereunder in connection with such Transferees occupancy of the Buildings), nor shall Tenant be permitted to receive any

revenues, fees or any other consideration for the use of such Emergency Generator by a third party. If, notwithstanding the terms of Section 8.5 of this Lease, Landlord does not require Tenant to remove the Emergency Generator upon the expiration or earlier termination of this Lease, then Tenant shall surrender the Emergency Generator to Landlord and transfer to Landlord all permits, operating manuals and warranties maintained by Tenant in connection with the Emergency Generator during the Lease Term, if any.

6.6 **Power Requirements.** Landlord represents and warrants to Tenant that the Premises are currently served by Silicon Valley Power ("**SVP**"), the municipal electric utility of the City of Santa Clara, California. As of the Effective Date, the existing electrical service to the Premises is provided by two (2) transformers totaling 1,250 kVA (the "**Existing Service**"), as follows: (a) 3260–3270 Jay Street: one (1) 750 kVA, three-phase, 480-volt (line-to-line) transformer and (b) 3250 Jay Street: one (1) 500 kVA, three-phase, 480-volt (line-to-line) transformer. During the Lease Term, Tenant shall have the right to perform the Power Upgrades as defined in, and subject to the terms of, Exhibit K. Landlord shall cooperate with Tenant in connection with the Power Upgrades, including without limitation, delivering any consents or approvals necessary in connection with the same and executing any documents required by the utility provider and/or any applicable governmental or quasi-governmental authority within ten (10) business days after request.

## ARTICLE 7

### PROJECT MANAGEMENT; REPAIR, MAINTENANCE AND TESTING; COMPLIANCE WITH LAWS

7.1 **Tenant's Obligations.** Throughout the Lease Term, Tenant shall, at Tenant's sole cost and expense, maintain, repair and improve, to the Management Standard, all portions of the Project and Premises in accordance with the following provisions of this Article 7. For purposes of this Lease, the portions of the Project and Premises to be so maintained, repaired and improved by Tenant and its Facilities Team (as defined in Section 7.2.2 below) shall include, without limitation, (i) the Project parking facilities, interior and exterior streets, paths and walkways, windows, sidewalks and curbs, roof membrane maintenance, landscaping, and loading areas, (ii) the mechanical, electrical, fire protection, plumbing, life safety and other systems and equipment in the Project and Premises (items specified under this subsection (ii) are, collectively, the "**Building Systems**"), (iii) Tenant's Property (as defined in Section 10.3.2 below), (iv) any equipment installed by Tenant at the Project and located outside of the Premises, including, without limitation, any rooftop equipment, supplemental HVAC equipment (if located outside of the Premises), Emergency Generators (if located outside of the Premises), and electric vehicle charging stations (collectively, "**Tenant's Off-Premises Equipment**"), which Tenant's Off-Premises Equipment may only be installed by Tenant with the prior written consent of Landlord (in Landlord's sole and absolute discretion, except to the extent otherwise expressly permitted elsewhere in this Lease), and (v) all non-structural improvements and systems exclusively serving the Premises, including any Lines (as defined in Section 29.26) (collectively, "**Tenant Maintenance Responsibilities**"). Tenant hereby waives any and all rights under and benefits of subsection 1 of Section 1932 and Sections 1941 and 1942 of the California Civil Code or under any similar law, statute, or ordinance now or hereafter in effect.

#### 7.2 **Management Standards.**

7.2.1 **Professional Maintenance.** Tenant shall perform the Tenant Maintenance Responsibilities in a manner consistent with the standards followed by Landlord and other first-class owners and management companies that are managing Comparable Buildings (the "**Management Standard**").

7.2.2 **Facilities Team.** Landlord and Tenant hereby acknowledge that as of the Effective Date, Tenant intends to use an in-house facilities management department or third party property manager (collectively, the "**Facilities Team**") with sufficient expertise to meet the Management Standard. Tenant shall cause, throughout the Lease Term, its in-house Facilities Team or a capable third party management to maintain the Project, as reasonably required to satisfy the Management Standard.

7.2.3 **Service Agreements.** To the extent required to perform the Tenant Maintenance Responsibilities, Tenant shall enter into service, repair and maintenance agreements (collectively, the "**Service Agreements**") upon the TCCs and with providers as required under **Exhibit I** of this Lease. With respect to such Service Agreements, Tenant shall provide Landlord with the name of the particular vendor, and the scope of work for which such vendor is retained, and Landlord shall have the reasonable right to approve or disapprove of the such vendor and such scope of work within five (5) business days after receiving the same from Tenant, provided, however, that (i) Landlord's failure to respond during such period shall be deemed Landlord's approval thereof and (ii) such approval by Landlord shall not be unreasonably withheld, conditioned or delayed.

### 7.3 **Records and Reports and Meeting Requirements.**

7.3.1 **Annual Management Reports.** Upon request from Landlord, not more than two times per calendar year during the Lease Term (or as is more frequently required by Landlord's mortgagee, a potential purchaser or Applicable Law), Tenant shall deliver to Landlord any reports relating to the management of the Project, in Tenant's possession, or reasonably obtainable by Tenant without generating any new analysis or documentation.

7.3.2 **Landlord's Ownership of Records.** All plans and specifications maintained by Tenant in connection with the Buildings and/or any improvements, and any warranties and guaranties relating to the Buildings and/or Premises (collectively, the "**Project Documents**") shall become the property of Landlord, to the extent such Project Documents do not contain proprietary or confidential information, and such documents (but Tenant may retain copies thereof) shall be delivered to Landlord following Landlord's request after the expiration or earlier termination of the Lease Term, to the extent not previously delivered to Landlord.

7.3.3 **Meeting Requirements.** At the written request of either Landlord or Tenant (a "**MM Request**"), each party shall arrange to meet and confer with the other (at a mutually reasonable and convenient time and location), as to the status of the maintenance, repair and other work required to be performed under this Lease and to (i) conduct a full inspection of the condition of the Buildings and Premises including the Building Structure and Building Systems, (ii) review and discuss the Service Agreements, and (iii) review and discuss Tenant's and Landlord's obligations as set forth under this Lease (each, a "**Maintenance Meeting**"); provided, however, in no event shall Landlord or Tenant be required to participate in more than one such Maintenance Meeting in any twelve (12) month period throughout the Lease Term, unless such a Maintenance Meeting is required in connection with an emergency situation or event. In connection with, and in advance of, any such Maintenance Meeting, to the extent Landlord's MM Request included a request for maintenance and repair reports, Tenant shall promptly deliver any maintenance and repair reports, in Tenant's possession or reasonably obtainable related to the maintenance, repair and other work required to be performed by Tenant under the Lease, to the extent the same are regularly and customarily generated and maintained by, and in the possession of, its Facilities Team (collectively, the "**M&R Reports**").

7.3.4 **Books and Records.** Tenant shall maintain complete, detailed and accurate records, books and accounts of all funds disbursed in connection with Tenant's management and operation of the Project (excepting salary disbursements internal to Tenant), including all M&R Reports. Tenant agrees to keep all of the aforementioned documents (collectively, the "**Books and Records**") safe, available and separable from any record not having to do with the Project. Tenant shall not dispose of any such Books or Records until the same are at least three (3) years old.

7.3.5 **Tenant's Risk Management Obligations.** Tenant shall promptly report to Landlord any material accidents occurring at the Premises known to Tenant which are reasonably anticipated to result in liability to Landlord and/or all claims for damages relating to damage or destruction to the Premises.

### 7.4 **Repair, Maintenance and Testing.**

7.4.1 **Tenant's Repair, Maintenance, and Improvement Obligations.** Tenant shall, at Tenant's sole cost and expense maintain and repair in good repair and in a first-class condition (including necessary replacements and

improvements) consistent with the Management Standard, industry standards and manufacturer recommendations, those portions of the Project, Buildings, and Premises (inclusive of improvements, fixtures and furnishings) which are Tenant Maintenance Responsibilities. Tenant shall comply with all Applicable Laws in connection with the Tenant Maintenance Responsibilities. At Landlord's option, if Tenant fails to comply with its obligations with respect to Tenant Maintenance Responsibilities, Landlord may, after written notice to Tenant, and after affording Tenant a reasonable time period equal to at least thirty (30) days within which to conduct such repair or improvement, and after providing Tenant a second notice setting forth Landlord's intention to engage in self help (except in the event of an emergency, in which case no notice to Tenant shall be required), but need not, perform such obligations, and Tenant shall pay Landlord the reasonable cost thereof, including a reasonable percentage of the cost thereof sufficient to reimburse Landlord for all overhead, general conditions, fees and other costs or expenses arising from Landlord's involvement with such actions by Landlord forthwith upon being billed for same.

7.4.2 **Tenant's Testing Obligations.** Tenant shall operate, maintain, and test the Building Systems including all subsystems in any special areas as designated by Landlord, to the extent related to the Tenant Maintenance Responsibilities in a manner consistent with the Management Standard. Tenant shall conduct such testing and maintenance in accordance with Applicable Laws.

7.5 **Intentionally Omitted.**

7.6 **Tenant's Responsibilities Upon Termination of Management of the Project.** Upon the expiration or earlier termination of this Lease for any reason, following Landlord's written request, Tenant shall promptly deliver the following to Landlord, or Landlord's appointed agent on the effective date of expiration or termination (except to the extent that any such item has already been delivered to Landlord).

7.6.1 Copies of the Books and Records for the most recent full calendar year and any subsequent partial calendar year.

7.6.2 Any third party warranties, guaranties and operating manuals in Tenant's possession relating to the improvements in the Project and the Building Systems.

7.6.3 All keys related to the telephone closets, janitorial closets, electrical closets, storage rooms, storage areas, SDG&E rooms or areas, rooftop access points, and other areas which would traditionally be characterized as common areas.

The obligation of Tenant to deliver the foregoing shall survive the termination of the Lease for a period of one (1) year.

7.7 **Landlord's Maintenance Obligations.** Landlord shall repair, replace, maintain, and improve the structural portions of the Buildings, which shall mean the foundation, roof structure (excluding the roof membrane), and sidewalls (collectively, the "**Building Structure**") (collectively, the "**Landlord Maintenance Responsibilities**") in good condition and repair and in compliance with Applicable Laws as required by Article 24 below. Landlord's costs of performing Landlord Maintenance Responsibilities and Landlord's compliance with Applicable Laws obligations shall be included in the Operating Expenses, to the extent permitted in Article 4 above. Any entry of the Premises by Landlord in connection with the foregoing shall comply with the terms of Article 27 of this Lease.

## **ARTICLE 8**

### **ADDITIONS AND ALTERATIONS**

8.1 **Landlord's Consent to Alterations.** Tenant may not make any improvements, alterations, additions or changes to the Premises or any mechanical, plumbing or HVAC facilities or systems pertaining to the Premises (collectively, the "**Alterations**") without first procuring the prior written consent of Landlord to such Alterations, which consent shall be requested by Tenant not less than ten (10) business days prior to the commencement thereof, and which consent shall not be unreasonably withheld, conditioned, or delayed by Landlord, provided it shall be deemed reasonable for Landlord to withhold its consent to any Alteration which adversely affects the Building Structure or the Building Systems of the Buildings or is visible from the exterior of the Buildings. Notwithstanding the foregoing, Tenant shall be permitted to make Alterations

following ten (10) business days' notice to Landlord, but without Landlord's prior consent, to the extent that such Alterations do not (i) adversely affect the Building Systems or Building Structure, exterior appearance of the Buildings, (ii) intentionally deleted, or (iii) require a building or construction permit (the "**Cosmetic Alterations**"). The construction of the Tenant Improvements to the Premises shall be governed by the terms of the Work Letter and not the terms of this Article 8.

8.2 **Manner of Construction.** Landlord may impose, as a condition of its consent to any and all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its reasonable discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such Alterations only contractors reasonably approved by Landlord, and any removal and/or restoration obligations required hereunder. If Landlord shall give its consent to any such Alterations, the consent shall be deemed conditioned upon Tenant acquiring any necessary permits to do the work from appropriate governmental agencies, the furnishing of a copy of such permit to Landlord prior to the commencement of the work, and the compliance by Tenant with all conditions of said permit. If such Alterations will involve the use of or disturbance of Hazardous Materials existing in the Premises, Tenant shall comply with Landlord's rules and regulations concerning such Hazardous Materials. Tenant shall construct such Alterations and perform such repairs in a good and workmanlike manner, in conformance with any and all Applicable Laws, and to the extent applicable, pursuant to a valid building permit, issued by the city in which the Buildings are located (or other applicable governmental authority). In the event Tenant performs any Alterations in the Premises which require or give rise to governmentally required changes to the Base Building, then Landlord shall, at Tenant's expense, make such changes to the Base Building. Since all or a portion of the Project is or may become in the future certified under the LEED rating system (or other applicable certification standard) (all in Landlord's sole and absolute discretion), Tenant expressly acknowledges and agrees that without limitation as to other grounds for Landlord withholding its consent to any proposed Alteration, Landlord shall have the right to withhold its consent to any proposed Alteration in the event that such Alteration is not compatible with such certification or recertification of the Project under such LEED rating system (or other applicable certification standard). The "**Base Building**" shall mean the Building Structure and Building Systems. Further, Tenant shall not use (and upon notice from Landlord shall cease using) contractors, services, workmen, labor, materials or equipment that, in Landlord's reasonable judgment, would disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the Buildings or the Project. In addition to Tenant's obligations under Article 9 of this Lease, upon completion of any Alterations, Tenant agrees to cause a Notice of Completion to be recorded in the office of the Recorder of the County of Santa Clara in accordance with Section 8182 of the Civil Code of the State of California or any successor statute, and to the extent prepared in connection with any such Alterations, Tenant shall deliver to Landlord a reproducible copy of the "as built" and CAD drawings of the Alterations, to the extent applicable, as well as all permits, approvals and other documents issued by any governmental agency in connection with the Alterations.

8.3 **Payment for Improvements.** With respect to payments to be made to Tenant's contractors for any Alterations, Tenant shall deliver to Landlord all final lien releases and waivers in connection with Tenant's payment for work to contractors following the completion of any Alterations. In addition, in connection with all Alterations (other than Cosmetic Alterations), Tenant shall pay Landlord an oversight fee equal to one percent (1%) of the cost of the Alterations work, and reimburse Landlord for Landlord's reasonable, actual, out-of-pocket costs and expenses actually incurred in connection with Landlord's review of such work.

8.4 **Construction Insurance.** In addition to the requirements of Article 10 of this Lease, in the event that Tenant makes any Alterations, prior to the commencement of such Alterations, Tenant shall provide Landlord with evidence that Tenant (or Tenant's contractor) carries "Builder's Risk" insurance in an amount reasonably approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may reasonably require, it being understood and agreed that all of such Alterations shall be insured by Tenant pursuant to Article 10 of this Lease immediately upon completion thereof. In addition, Landlord may, in its reasonable discretion, for Alterations will an aggregate estimated cost of greater than \$1,000,000, require Tenant to obtain a lien and completion bond or some alternate form of security reasonably satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of such Alterations and naming Landlord as a co-obligee.

8.5 **Landlord's Property.** References in this Section 8.5 to "Alterations" shall include the "Tenant Improvements". All Alterations shall, upon completion of construction, become part of the Premises and the property of Landlord. Notwithstanding the foregoing, Tenant shall, at Tenant's expense, remove all Removal Items (defined below) upon

the expiration or earlier termination of this Lease in accordance with the TCCs of Section 15.2 below. "**Removal Items**" shall mean: (a) all Mandatory Removal Items (except to the extent otherwise designated by Landlord, in its sole and absolute discretion, by written notice to Tenant prior to the end of the Lease Term, or following any earlier termination of this Lease), and (b) any other Alterations that constitute Specialty Improvements (defined below) that Landlord, by written notice to Tenant at the time Landlord reviews plans and drawings for approval of such Specialty Improvements, requires Tenant, at Tenant's expense, to remove. Notwithstanding the foregoing, except with respect to Mandatory Removal Items (for which this sentence shall not apply), if, in connection with its request for Landlord's consent to any Alterations that constitute Specialty Improvements (or with respect to Cosmetic Alterations, in connection with its notice to Landlord of the same), Landlord agrees in writing to waive the removal requirement with regard to such Alterations, then Tenant shall not be required to so remove such Alterations. "**Mandatory Removal Items**" shall mean: (i) any Alterations located outside of the Premises (including, without limitation, Tenant's Off-Premises Equipment), (ii) all Lines, (iii) any other items, improvements or fixtures which Tenant is expressly required to remove pursuant to the terms of this Lease, (iv) any Alterations or signage incorporating Tenant's name or logo, (v) intentionally deleted, (vi) any Alterations not performed in accordance with the TCCs of this Article 8 (or the Work Letter, as applicable), and (vii) any Specialty Improvements designated for removal at the time Landlord approves such Specialty Improvements. "**Specialty Improvements**" shall mean: (a) safes and vaults, (b) decorative water features; (c) specialized wallcoverings and ceilings, and flooring which are not consistent with general office use, such as raised flooring; (d) conveyors and dumbwaiters; (e) any Alterations which require modifications to the Building Structure, other than typical floor core drilling; and (f) equipment pads, and generators located outside of the Buildings. Specialty Improvements do not include "standard electronic laboratory space", process piping and related laboratory infrastructure. "**Standard electronic laboratory space**" means a space that does not include any design elements inconsistent with general office use other than: (1) mechanical systems with ducted HEPAs including plenum space functioning as an open return, (2) HEPAs to be independently supported from T-bar ceiling, (3) lighting to be lay-in style to drop in a standard 15/16" T-bar grid, (3) fixtures to be selected to maximize lumens adequate for lab spaces, (4) T-bar ceiling to be a standard 15/16" T-bar grid with vinyl rock ceiling tiles, which are wipeable, (5) standard lab flooring systems, such as ESD VCT, ESD SV, epoxy or similar, and does not include any space with cleanroom modular walls.

## ARTICLE 9

### COVENANT AGAINST LIENS

Tenant shall keep the Project and Premises free from any liens or encumbrances arising out of the work performed, materials furnished or obligations incurred by or on behalf of Tenant, and shall protect, defend, indemnify and hold Landlord harmless from and against any claims, liabilities, judgments or costs (including, without limitation, reasonable attorneys' fees and costs) arising out of same or in connection therewith. Tenant shall give Landlord notice at least ten (10) business days prior to the commencement of any such work on the Premises to afford Landlord the opportunity of posting and recording appropriate notices of non-responsibility. Tenant shall remove any such lien or encumbrance by bond or otherwise within thirty (30) days after notice thereof by Landlord, and if Tenant shall fail to do so, Landlord may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof. The amount so paid shall be deemed Additional Rent under this Lease payable within thirty (30) days after demand, without limitation as to other remedies available to Landlord under this Lease. Nothing contained in this Lease shall authorize Tenant to do any act which shall subject Landlord's title to the Buildings or Premises to any liens or encumbrances whether claimed by operation of law or express or implied contract. Any claim to a lien or encumbrance upon the Buildings or Premises arising in connection with any such work or respecting the Premises not performed by or at the request of Landlord shall be null and void, or at Landlord's option shall attach only against Tenant's interest in the Premises and shall in all respects be subordinate to Landlord's title to the Project, Buildings and Premises.

## ARTICLE 10

### INDEMNIFICATION AND INSURANCE

10.1 **Indemnification and Waiver.** Tenant hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause whatsoever and agrees that Landlord, its partners, subpartners and their respective officers, agents, servants, employees, and independent contractors (collectively, "**Landlord Parties**") shall not be liable for, and are hereby released from any responsibility for, any damage either to person or property or resulting from the loss of use thereof, which damage is sustained by Tenant or by other persons claiming through Tenant, except to the extent caused by the gross negligence or willful misconduct of the Landlord Parties. Except to the extent caused by the gross negligence or willful misconduct of the Landlord Parties, Tenant shall indemnify, defend, protect, and hold harmless the Landlord Parties from and against any and all loss, cost, damage, expense and liability (including without limitation court costs and reasonable attorneys' fees) incurred in connection with or arising from: (a) any causes in, on or about the Premises; (b) the use or occupancy of the Premises by Tenant; (c) any activity, work, or thing done, or permitted or suffered by Tenant in or about the Premises; (d) gross negligence or willful misconduct of Tenant, or the contractors, agents, employees, invitees, or visitors of Tenant or any such person, in, on or about the Project (collectively, "**Tenant Parties**"); (e) any breach, violation, or non-performance by Tenant or the employees, agents, contractors, invitees, or visitors of Tenant or any such person of any term, covenant, or provision of this Lease which continues beyond any applicable notice and cure periods. Should Landlord be named as a defendant in any suit brought against Tenant in connection with or arising out of the above-described matters for which Tenant is obligated to indemnify the Landlord Parties, Tenant shall pay to Landlord its reasonable costs and expenses incurred in such suit, including without limitation, its actual professional fees such as appraisers', accountants' and attorneys' fees. Further, Tenant's agreement to indemnify Landlord pursuant to this Section 10.1 is not intended and shall not relieve any insurance carrier of its obligations under policies required to be carried by Tenant pursuant to the provisions of this Lease, to the extent such policies cover the matters subject to Tenant's indemnification obligations; nor shall they supersede any inconsistent agreement of the parties set forth in any other provision of this Lease. The provisions of this Section 10.1 shall survive the expiration or sooner termination of this Lease with respect to any claims or liability arising in connection with any event occurring prior to such expiration or termination. Notwithstanding the foregoing, if Landlord is determined to have been negligent or to have acted with willful misconduct relating to any of Tenant's foregoing indemnification obligations, Landlord shall be responsible for paying all or a portion of the applicable damage award (except for damage to Tenant's Insured Property in excess of the deductible), including reasonable attorneys' fees, such portion to be determined based on the extent to which the damage was caused by Landlord's negligence or willful misconduct.

10.2 **Landlord's Insurance.** Landlord shall maintain the following insurance, together with such other insurance coverage as Landlord, in its reasonable judgment, may elect to maintain, to the extent such coverage is comparable with the coverage and amounts of insurance which are carried by the landlords of the Comparable Buildings the premiums of which shall be included in Operating Expenses: (i) Commercial General Liability insurance applicable to the Buildings providing, on an occurrence basis, a minimum combined single limit of at least \$3,000,000.00; (ii) All Risk Property Insurance on the Base Buildings and Common Areas ("**Landlord's Insured Property**") at replacement cost value; (iii) Worker's Compensation insurance to the extent required by Applicable Laws; and (iv) Employers Liability Coverage to the extent required by Applicable Laws. Notwithstanding the foregoing provisions of this Section 10.2, the coverage and amounts of insurance carried by Landlord in connection with the Buildings shall, at a minimum, be comparable to the coverage, deductibles and amounts of insurance which are carried by the landlords of the Comparable Buildings, which may include earthquake insurance if consistent with the practices of landlords of the Comparable Buildings. Tenant shall, at Tenant's expense, comply with Landlord's insurance company's reasonable requirements pertaining to the use of the Premises to the extent Landlord delivers a copy of such requirements to Tenant prior to the Effective Date. If Tenant's conduct, occupancy, or use of the Premises in violation of the TCCs of this Lease causes any increase in the premium for such insurance policies then Tenant shall reimburse Landlord for any such increase.

10.3 **Tenant's Insurance.** Throughout the Lease Term, Tenant shall maintain the following coverages in the following amounts. The required evidence of coverage must be delivered to Landlord on or before the date required under Section 10.4(I) sub-sections (x) and (y), or Section 10.4(II) below (as applicable). Such policies shall be for a term of at least one (1) year, or the length of the remaining term of this Lease, whichever is less.

10.3.1 Commercial General Liability Insurance, including Broad Form contractual liability covering the insured against claims of bodily injury, personal injury and property damage (including loss of use thereof) based upon or arising out of Tenant's operations, occupancy or maintenance of the Project and all areas appurtenant thereto. Such insurance shall be written on an "occurrence" basis. Landlord and any other party the Landlord so specifies that has a material financial interest in the Project, including Landlord's managing agent, ground lessor and/or lender, if any, shall be named as additional insureds as their interests may appear using Insurance Service Organization's form CG2011 or a comparable form approved by Landlord. Tenant shall provide an endorsement or policy excerpt showing that Tenant's coverage is primary and any insurance carried by Landlord shall be excess and non-contributing. The coverage shall also be extended to include damage caused by heat, smoke or fumes from a hostile fire. The policy shall not contain any intra-insured exclusions as between insured persons or organizations. This policy shall include coverage for all liabilities assumed under this Lease as an insured contract for the performance of all of Tenant's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Tenant nor relieve Tenant of any obligation hereunder. Limits of liability insurance shall not be less than the following; provided, however, such limits may be achieved through the use of an Umbrella/Excess Policy:

Bodily Injury and Property Damage Liability	\$15,000,000 each occurrence
Personal Injury and Advertising Liability	\$15,000,000 each occurrence
Tenant Legal Liability/Damage to Rented Premises Liability	\$300,000.00

10.3.2 Property Insurance covering (i) all furniture, personal property, business and trade fixtures, equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's business personal property at the Project installed by, for, or at the expense of Tenant (collectively, "**Tenant's Property**"), and (ii) areas of the Project that are part of Tenant's Maintenance Responsibilities, including any improvements existing in the Buildings on the Lease Commencement Date, and all Alterations (collectively, "**Tenant's Insured Property**"). Such insurance shall be written on a Special Form basis, for the full replacement cost value (subject to reasonable deductible amounts), without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance and shall include coverage for (a) all perils included in the CP 10 30 04 02 Coverage Special Form, (b) water damage from any cause whatsoever, including, but not limited to, sprinkler leakage, bursting, leaking or stoppage of any pipes, explosion, and backup or overflow from sewers or drains, and (c) terrorism (to the extent such terrorism insurance is available as a result of the Terrorism Risk Insurance Act of 2002 (Pub. L. 107-297, 116 Stat. 2322), the Terrorism Risk Insurance Program Reauthorization Act of 2005 (Pub. L. 109-144), and the Terrorism Risk Insurance Program Reauthorization Act of 2007 (Pub. L. 110-160, 121 Stat. 183), any successor statute or regulation, or is otherwise available at commercially reasonable rates).

10.3.2.1 **Increase in Project's Property Insurance.** Tenant shall pay for any increase in the premiums for the property insurance of the Project if said increase is caused by Tenant's acts, omissions, use or occupancy of the Premises in violation of the TCCs of this Lease.

10.3.2.2 Intentionally deleted.

10.3.2.3 **No Representation of Adequate Coverage.** Landlord makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Tenant's Property, business operations or obligations under this Lease.

10.3.2.4 **Property Insurance Subrogation.** Landlord and Tenant intend that their respective property loss risks shall be borne by insurance carriers to the extent above provided (and, in the case of Tenant, by an insurance carrier satisfying the requirements of [Section 10.4\(i\)](#) below), and Landlord and Tenant hereby agree to look solely to, and seek recovery only from, their respective insurance carriers in the event of a property loss to the extent that such coverage is agreed to be provided hereunder. The parties each hereby waive all rights and claims against each other for such losses, and waive all rights of subrogation of their respective insurers to the extent that such loss or damage would have been

recoverable under such insurance policies required to be carried hereunder. Landlord and Tenant shall cause their respective "all risk" property insurance policies include a waiver of (i) subrogation by the insurers, and (ii) all rights based upon an assignment from its insured, against Landlord and/or any of the Landlord Parties or Tenant and/or any of the Tenant Parties (as the case may be) in connection with any property loss risk thereby insured against. Tenant will cause all subtenants and licensees of the Premises claiming by, under, or through Tenant to execute and deliver to Landlord a waiver of claims similar to the waiver in this Section 10.3.2.4 and to obtain such waiver of subrogation rights endorsements. If either party hereto fails to maintain the waivers set forth in items (i) and (ii) above, the party not maintaining the requisite waivers shall indemnify, defend, protect, and hold harmless the other party for, from and against any and all claims, losses, costs, damages, expenses and liabilities (including, without limitation, court costs and reasonable attorneys' fees) arising out of, resulting from, or relating to, such failure.

10.3.3 Business Income Interruption for one year (1) plus Extra Expense insurance in such amounts as will reimburse Tenant for actual direct or indirect loss of earnings attributable to the risks outlined in Section 10.3.2 above.

10.3.4 Worker's Compensation or other similar insurance pursuant to all applicable state and local statutes and regulations, and Employer's Liability with minimum limits of not less than \$1,000,000 each accident/employee/disease.

10.3.5 If applicable, Commercial Automobile Liability Insurance covering all Owned (if any), Hired, or Non-owned vehicles with limits not less than \$1,000,000 combined single limit for bodily injury and property damage.

10.4 **Form of Policies.** The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall (i) be issued by an insurance company having an AM Best rating of not less than A-X (or to the extent AM Best ratings are no longer available, then a similar rating from another comparable rating agency), or which is otherwise acceptable to Landlord and licensed to do business in the State of California, (ii) be in form and content reasonably acceptable to Landlord and complying with the requirements of Section 10.3 (including, Sections 10.3.1 through 10.3.5), (iii) Tenant shall not do or permit to be done anything which invalidates the required insurance policies, and (iv) provide that said insurance shall not be canceled or coverage changed unless Tenant or Tenant's insurer provides thirty (30) days' prior written notice to Landlord and any mortgagee of Landlord, the identity of whom has been provided to Tenant in writing. Tenant shall deliver said certificates of insurance thereof and applicable endorsements which meet the requirements of this Article 10 to Landlord on or before (I) the earlier to occur of: (x) the Lease Commencement Date, and (y) the date Tenant and/or its employees, contractors and/or agents first enter the Premises for occupancy, construction of improvements, alterations, or any other move-in activities, and (II) five (5) business days after the renewal of such policies. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificates and applicable endorsements, Landlord may, at its option, after written notice to Tenant and Tenant's failure to obtain such insurance within five (5) days thereafter, procure such policies for the account of Tenant and the sole benefit of Landlord, and the cost thereof shall be paid to Landlord within thirty (30) days after delivery to Tenant of bills therefor.

10.5 **Additional Insurance Obligations.** Tenant shall carry and maintain during the entire Lease Term, at Tenant's sole cost and expense, increased amounts of the insurance required to be carried by Tenant pursuant to this Article 10 and such other reasonable types of insurance coverage and in such reasonable amounts covering the Premises and Tenant's operations therein, as may be reasonably requested by Landlord, but in no event in excess of the amounts and types of insurance then being required by landlords of Comparable Buildings from tenants comparable in size to Tenant.

10.6 **Third-Party Contractors.** Tenant shall obtain and deliver to Landlord, Third Party Contractor's certificates of insurance and applicable endorsements prior to the commencement of work in or about the Premises by any vendor or any other third-party contractor (collectively, a "**Third Party Contractor**"). All such insurance shall (a) name Landlord as an additional insured under such party's liability policies as required by Section 10.3.1 above and this Section 10.6, (b) provide a waiver of subrogation in favor of Landlord under such Third Party Contractor's commercial general liability insurance, (c) be primary and any insurance carried by Landlord shall be excess and non-contributing, and (d) comply with Landlord's minimum contractor insurance requirements, which shall be consistent with the requirements of landlords of Comparable Buildings.

## ARTICLE 11

### DAMAGE AND DESTRUCTION

11.1 **Repair of Damage to Premises by Landlord.** If the Project (or any portion thereof) shall be damaged by a fire or any other casualty (collectively, a "Casualty"), (i) Landlord shall promptly and diligently restore Landlord's Insured Property to substantially the same condition as existing prior to the Casualty, except for modifications required by Applicable Laws or the New Underlying Documents, or any other modifications deemed desirable by Landlord, and (ii) except as set forth below, Tenant shall promptly and diligently restore Tenant's Insured Property to substantially the same condition as existing prior to the Casualty, except for modifications required by Applicable Laws or the New Underlying Documents, or any other modifications deemed desirable by Tenant and approved by Landlord pursuant to Article 8. Notwithstanding the foregoing, Landlord shall have the right, upon notice (the "**Landlord Repair Notice**") to Tenant from Landlord within sixty (60) days following the date the Casualty becomes known to Landlord, to promptly and diligently restore Tenant's Insured Property, and, in such event Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under Section 10.3 of this Lease for Tenant's Insured Property; provided that if the cost of such repair by Landlord exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, as assigned by Tenant, the cost of such repairs shall be paid by Tenant to Landlord prior to Landlord's commencement of repair of the damage. All work performed by Tenant pursuant to this Section 11.1 shall be performed in accordance with Article 8 of this Lease. At any time, from time to time, after the date occurring sixty (60) days after the date of the damage, Tenant may request that Landlord inform Tenant of Landlord's reasonable opinion of the date of completion of the repairs and Landlord shall respond to such request within five (5) business days ("**Landlord's Repair Estimate Notice**"). Notwithstanding any contrary provision of this Article 11, the parties hereby agree as follows: (a) the closure of the Project or any part thereof to protect public health shall not constitute a Casualty for purposes of this Lease, (b) Casualty covered by this Article 11 shall require that the physical or structural integrity of the Premises or the Project is degraded as a direct result of such occurrence, and (c) a Casualty under this Article 11 shall not be deemed to occur merely because Tenant is unable to productively use the Premises in the event that the physical and structural integrity of the Premises is undamaged.

11.2 **Casualty Rent Abatement.** If (i) the Premises or portions of the Common Areas necessary for the conduct of Tenant's business are damaged by Casualty, (ii) such Casualty causes all or a material portion of the Premises to be untenantable and unusable by Tenant and Tenant actually ceases to use all or such material portion of the Premises for more than five (5) business days, (iii) intentionally deleted, and (iv) intentionally deleted (items (i) through (iv) are, collectively, "**Casualty Conditions**"), Tenant may, upon written notice to Landlord, immediately abate Base Rent and Tenant's Share of Direct Expenses payable under this Lease for that portion of the Premises rendered untenantable and not actually used by Tenant due to the Casualty, for the period beginning on the date of the Casualty through (a) if Landlord delivered the Landlord Repair Notice, the date Landlord substantially completes restoration of Landlord's Insured Property and the Tenant Improvements and Alterations, such that the Premises are no longer untenantable (or such earlier date following the Casualty that Tenant conducts business from the Premises), or (b) if Landlord did not deliver the Landlord Repair Notice, the earlier of the date that Tenant substantially completes restoration of Tenant's Insured Property (such that the Premises are no longer untenantable) and the date that Tenant would have substantially completed restoration of Tenant's Insured Property if Tenant had used reasonable diligence (or such earlier date following the Casualty that Tenant conducts business from the applicable portion of the Premises). Except for the foregoing Rent abatement, Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from a Casualty.

#### 11.3 **Casualty Termination Rights.**

11.3.1 **Landlord Termination Rights.** Notwithstanding the terms of Section 11.1 of this Lease, Landlord may elect not to rebuild and/or restore the Landlord's Insured Property, and instead terminate this Lease, by notifying Tenant in writing of such termination within sixty (60) days after the date of discovery of the damage from Casualty, such notice to include a termination date giving Tenant sixty (60) days to vacate the Premises, if one or more of the following conditions is present: (i) in Landlord's reasonable judgment, repairs cannot reasonably be completed within two hundred seventy (270) days after the date of discovery of the damage (when such repairs are made without the payment of overtime or other premiums); (ii) the damage is not fully covered by Landlord's insurance policies and would not have been covered had

Landlord carried the coverage required under this Lease; (iii) intentionally deleted; (iv) the damage occurs during the last twelve (12) months of the Lease Term; or (vi) intentionally deleted.

11.3.2 **Tenant Termination Rights.** If the Casualty Conditions are met, and either the repairs cannot, in the reasonable opinion of Landlord, be completed within one hundred eighty (180) days after being commenced or the damage occurs during the last twelve (12) months of the Lease Term, Tenant may elect, within sixty (60) days after the date Landlord delivers to Tenant the estimated completion date of the repairs, to terminate this Lease by written notice to Landlord effective as of the date specified in the notice, which date shall not be less than thirty (30) days nor more than sixty (60) days after the date such notice is given by Tenant. In the event this Lease is terminated in accordance with the terms of this Section 11.3, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under item (ii) of Section 10.3.2 of this Lease.

11.4 **Waiver of Statutory Provisions.** The provisions of this Lease, including this Article 11, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, the Building or the Project, and any statute or regulation of the State of California, including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises, the Building or the Project.

## **ARTICLE 12**

### **NONWAIVER**

No waiver of any provision of this Lease shall be implied by any failure of Landlord or Tenant to enforce any remedy on account of the violation of such provision, even if such violation shall continue or be repeated subsequently, any waiver by Landlord or Tenant of any provision of this Lease may only be in writing, and no express waiver shall affect any provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

## **ARTICLE 13**

### **CONDEMNATION**

If the whole or any part of the Premises, Buildings or Project shall be taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or if any adjacent property or street shall be so taken or condemned, or reconfigured or vacated by such authority in such manner as to require the material reconstruction or remodeling of any part of the Premises, Buildings or Project, or if Landlord shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation, Landlord shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority. If more than twenty-five percent (25%) of the rentable square feet of either 3250 Building and 3260 Building or Common Areas are taken, or if access to either 3250 Building and 3260 Building or Common Areas are substantially impaired, in each case for a period in excess of one hundred eighty (180) days, Tenant shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority. Tenant shall not because of such taking assert any claim against Landlord or the authority for any compensation because of such taking and Landlord shall be entitled to the entire award or payment in connection therewith, except that Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease Term pursuant to the terms of this Lease, and for moving expenses, so long as such claims do not diminish the award available to Landlord, its ground lessor with respect to the Buildings or Project or its mortgagee, and such claim is payable separately to Tenant. All Rent shall be

apportioned as of the date of such termination. If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Rent shall be proportionately abated. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of The California Code of Civil Procedure. Notwithstanding anything to the contrary contained in this Article 13, in the event of a temporary taking of all or any portion of the Premises for a period of one hundred and eighty (180) days or less, then this Lease shall not terminate but the Base Rent and the Additional Rent shall be abated for the period of such taking in proportion to the ratio that the amount of rentable square feet of the Premises taken bears to the total rentable square feet of the Premises. Landlord shall be entitled to receive the entire award made in connection with any such temporary taking.

## ARTICLE 14

### ASSIGNMENT AND SUBLETTING

14.1 **Transfers.** Except for an assignment of this Lease or a sublease of all or a portion of the Premises (each of the foregoing, together with any modifications or amendments to any existing assignments or subleases being referred to herein as a "**Transfer**" and any person or entity to whom any Transfer is made or sought to be made is referred to herein as a "**Transferee**"), Tenant shall not mortgage, pledge, hypothecate, encumber or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any other transfer of this Lease or any interest hereunder by operation of law or enter into any license or concession agreements or otherwise permit the occupancy or use of the Premises or any part thereof by any persons other than Tenant and its employees. Tenant shall not Transfer this Lease or its interest in any portion of the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed. If Tenant desires Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the "**Transfer Notice**") shall include (i) the proposed effective date of the Transfer, which shall not be less than thirty (30) days after the date of delivery of the Transfer Notice, (ii) a description of the portion of the Premises to be transferred (the "**Subject Space**"), (iii) all of the terms of the proposed Transfer and the consideration therefor, including calculation of the Transfer Premium, as that term is defined in Section 14.3 below, in connection with such Transfer, the name and address of the proposed Transferee, and a copy of all existing executed and/or proposed documentation pertaining to the proposed Transfer, including all existing operative documents to be executed to evidence such Transfer or the agreements incidental or related to such Transfer, and (iv) for any assignee, current financial statements of the proposed Transferee certified by an officer, partner or owner thereof; provided, however, that prior to delivery of any such financial statements, upon Tenant's request, Landlord shall execute and deliver a commercially reasonable non-disclosure agreement related thereto. Any Transfer made without Landlord's prior written consent shall, at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute a default by Tenant under this Lease. Whether or not Landlord consents to any proposed Transfer, Tenant shall pay Landlord's review and processing fees, as well as any reasonable professional fees (including, without limitation, attorneys', accountants', architects', engineers' and consultants' fees) incurred by Landlord, within thirty (30) days after written request by Landlord; provided, however, such professional fees (excluding attorneys' and engineer's) shall not exceed Two Thousand Five Hundred Dollars (\$2,500) in the aggregate for each Transfer request in the ordinary course of business. For purposes hereof, in the "ordinary course of business" shall include, without limitation, the review of no more than three (3) rounds of comments to the applicable documentation.

14.2 **Landlord's Consent.** Landlord shall not unreasonably withhold, condition, or delay, its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in Tenant's notice pertaining to the particular Transfer and shall grant or withhold such consent within fifteen (15) business days following the date upon which Landlord receives a "complete" Transfer Notice from Tenant (*i.e.*, a Transfer Notice that includes all documents and information required pursuant to Section 14.1 of this Lease, above). If Landlord fails to approve or deny such Transfer consent request within fifteen (15) business days, Tenant shall deliver Landlord a second complete Transfer Notice. If Landlord fails to approve or deny such Transfer request within three (3) business days after the delivery of such second Transfer Notice, Landlord shall be deemed to have approved such Transfer. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any Applicable Laws for Landlord to withhold consent to any proposed Transfer where one or more of the following apply:

14.2.1 Transferee is, in Landlord's commercially reasonable business judgment, of a character or reputation or engaged in a business which is not consistent with the quality of the Buildings or the Project;

14.2.2 Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the Transfer on the date consent is requested;

14.2.3 Transferee intends to use the Subject Space for purposes which are not permitted under this Lease; or

14.2.4 Transferee is either a governmental agency or instrumentality thereof.

Notwithstanding anything to the contrary in this Lease, if Tenant or any proposed Transferee claims that Landlord has unreasonably withheld or delayed its consent under this Section 14.2 or otherwise has breached or acted unreasonably under this Article 14, their sole remedies shall be a declaratory judgment and an injunction for the relief sought without any monetary damages, and Tenant hereby waives the provisions of Section 1995.310 of the California Civil Code, or any successor statute, and all other remedies, including, without limitation, any right at law or equity to terminate this Lease, on its own behalf and, to the extent permitted under all Applicable Laws, on behalf of the proposed Transferee.

14.3 **Transfer Premium.** If Landlord consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of any Transfer Premium received by Tenant from such Transferee. "**Transfer Premium**" shall mean all rent, additional rent or other consideration payable by such Transferee in connection with the Transfer in excess of the Rent and Additional Rent payable by Tenant under this Lease during the term of the Transfer (on a per rentable square foot basis if less than all of the Premises is transferred), after deducting the reasonable expenses incurred by Tenant for (i) any changes, alterations and improvements to the Premises in connection with the Transfer, (ii) any free base rent or other economic concessions or improvement allowances reasonably given to the Transferee, (iii) any brokerage commissions in connection with the Transfer, (iv) marketing costs, (v) legal fees in negotiating the particular Transfer, and (vi) any amounts payable to Landlord under Section 14.1 above; provided, however, such Transfer Premium shall also include, but not be limited to, key money, bonus money or other cash consideration paid by Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for services rendered by Tenant to Transferee in connection with such Transfer. Transfer Premium shall not include any consideration Tenant receives if due to a sale of its business. No Transfer Premium shall be due in connection with any Transfers described in Section 14.8.

14.4 **Landlord's Option as to Subject Space.** Notwithstanding anything to the contrary contained in this Article 14, Tenant shall give Landlord notice (the "**Intention to Transfer Notice**") at any time determined in Tenant's sole discretion prior to or concurrent with Tenant's delivery of a Transfer Notice that Tenant is contemplating a Transfer (whether or not the contemplated Transferee or the terms of such contemplated Transfer have been determined); provided, however, that Tenant shall only be obligated to deliver an Intention to Transfer Notice hereunder, and Landlord shall only have the right to recapture space with respect to, (A) an assignment of this Lease, or (B) subject to Section 14.9 below, a sublease of all or substantially all of the Premises; provided further, however, (1) in no event shall Landlord have a right to recapture space in connection with a Permitted Transfer or Change of Control or Section 14.9, and (2) Landlord's right to recapture as set forth in this Section 14.4 shall not be triggered unless and until Landlord receives an Intention to Transfer Notice from Tenant. Tenant may indicate in a Transfer Notice that such Transfer Notice also serves as an Intention to Transfer Notice, but, in any event, if Tenant fails to deliver an Intention to Transfer Notice with respect to Contemplated Transfer Space, and thereafter delivers a Transfer Notice, such Transfer Notice shall be deemed to also serve as an Intention to Transfer Notice with respect to the Subject Space described in the Transfer Notice. The Intention to Transfer Notice shall specify the portion of and amount of rentable square footage of the Premises which Tenant intends to Transfer (the "**Contemplated Transfer Space**"), the contemplated date of commencement of the contemplated Transfer (the "**Contemplated Effective Date**"), the contemplated length of the term of such contemplated Transfer, and shall specify that such Intention to Transfer Notice is delivered to Landlord pursuant to this Section 14.4 in order to allow Landlord to elect to recapture the Contemplated Transfer Space. Thereafter, Landlord shall have the option, by giving written notice to Tenant (the "**Recapture Notice**") within fifteen (15) business days after receipt of any Intention to Transfer Notice, to recapture the Contemplated Transfer Space, unless Tenant, within ten (10) business days after receipt of the Recapture Notice, notifies Landlord in writing of its election to rescind the Intention to Transfer Notice (or Transfer Notice, as applicable). If Landlord elects to recapture, then the recapture shall cancel and terminate this Lease as of the Contemplated Effective Date. If Landlord declines, or fails to elect in a timely manner, to recapture such Contemplated Transfer Space under this Section 14.4, then, subject to the other terms of this Article 14, for a period of one (1) year (the "**One Year Transfer Period**") commencing on the last day of such fifteen (15)

business day period, Landlord shall not have any right to recapture the Contemplated Transfer Space with respect to any Transfer made during the One Year Transfer Period, provided that any such Transfer is substantially on the terms set forth in the Intention to Transfer Notice, and provided further that any such Transfer shall be subject to the remaining terms of this Article 14. If such a Transfer is not so consummated within the One Year Transfer Period (or if a Transfer is so consummated, then upon the expiration of the term of any Transfer of such Contemplated Transfer Space consummated within such One Year Transfer Period), Tenant shall again be required to submit a new Intention to Transfer Notice to Landlord with respect to any contemplated Transfer, as provided above in this Section 14.4.

14.5 **Effect of Transfer.** If Landlord consents to a Transfer, (i) the TCCs of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a Transferee, (iii) Tenant shall deliver to Landlord, promptly after execution, a copy of all documentation pertaining to the Transfer, (iv) Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant, or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium Tenant has derived and shall derive from such Transfer, and (v) no Transfer relating to this Lease or agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of the Lease from any liability under this Lease, including, without limitation, in connection with the Subject Space. Landlord or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to any Transfer, and shall have the right to make copies thereof; provided, however that Tenant shall be permitted to redact any confidential information therefrom and condition delivery of such materials on Landlord's execution of a commercially reasonable non-disclosure agreement. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency, and if understated by more than two percent (2%), Tenant shall pay Landlord's costs of such audit.

14.6 **Change of Control.** For purposes of this Section 14.8, the term "**Change of Control**" shall mean the following: (i) if Tenant is a partnership, limited liability company, or other non-corporate entity, the withdrawal or change, voluntary, involuntary or by operation of law, of more than fifty percent (50%) of the partners, members, or owners, or transfer of more than fifty percent (50%) of partnership, membership, or ownership interests, within a twelve (12)-month period, or the dissolution of the partnership or other entity without immediate reconstitution thereof, and (ii) if Tenant is a corporation, (A) the dissolution, merger, consolidation or other reorganization of Tenant or (B) the sale or other transfer of an aggregate of more than fifty percent (50%) of the voting shares of Tenant (other than to immediate family members by reason of gift or death), within a twelve (12)-month period, or (C) the sale, mortgage, hypothecation or pledge of an aggregate of more than fifty percent (50%) of the value of the unencumbered assets of Tenant within a twelve (12)-month period. Except as otherwise provided herein, including without limitation, Section 14.8 below, Tenant must notify Landlord in writing within thirty (30) days after any Change of Control (and Tenant shall provide Landlord with such information with respect to the Change of Control as may be reasonably requested by Landlord). Landlord's consent shall not be required for a Change of Control unless the Net Worth of Tenant following the Change of Control is not at least equal to the Net Worth of the original Tenant on the date of this Lease. In no event shall Tenant be relieved from any liability under this Lease as a result of a Change of Control. Notwithstanding the foregoing or anything to the contrary herein, any Change of Control that is a subterfuge by Tenant to avoid its obligations under this Lease shall constitute an event of default hereunder.

14.7 **Occurrence of Default.** Any Transfer hereunder shall be subordinate and subject to the provisions of this Lease, and if this Lease shall be terminated during the term of any Transfer, Landlord shall have the right to: (i) treat such Transfer as cancelled and repossess the Subject Space by any lawful means, or (ii) require that such Transferee attorn to and recognize Landlord as its landlord under any such Transfer. If Tenant shall be in default under this Lease, beyond any applicable notice and cure periods, Landlord is hereby irrevocably authorized, as Tenant's agent, to direct any Transferee to make all payments under or in connection with the Transfer directly to Landlord (which Landlord shall apply towards Tenant's obligations under this Lease) until such default is cured. Such Transferee shall rely on any representation by Landlord that Tenant is in default hereunder, without any need for confirmation thereof by Tenant. Upon any assignment, the assignee shall assume in writing all obligations and covenants of Tenant thereafter to be performed or observed under this Lease. No collection or acceptance of rent by Landlord from any Transferee shall be deemed a waiver of any provision of this Article 14 or the approval of any Transferee or a release of Tenant from any obligation under this Lease, whether theretofore or thereafter accruing. In no event shall Landlord's enforcement of any provision of this Lease against any Transferee be

deemed a waiver of Landlord's right to enforce any term of this Lease against Tenant or any other person. If Tenant's obligations hereunder have been guaranteed, Landlord's consent to any Transfer shall not be effective unless the guarantor also consents to such Transfer.

14.8 **Deemed Consent Transfers.** Notwithstanding anything to the contrary contained in this Lease, (A) an assignment or subletting of all or a portion of the Premises to an affiliate of Tenant (an entity which is controlled by, controls, or is under common control with, Tenant as of the date of this Lease), (B) a sale of corporate shares of capital stock in Tenant in connection with an initial public offering of Tenant's stock on a nationally-recognized stock exchange, (C) an assignment of the Lease to an entity which acquires all or substantially all of the stock or assets of Tenant, or (D) an assignment of the Lease to an entity which is the resulting entity of a merger or consolidation of Tenant during the Lease Term, shall not be deemed a Transfer requiring Landlord's consent under this Article 14 (any such assignee or sublessee described in items (A) through (D) of this Section 14.8 is hereinafter referred to as a "**Permitted Transferee**"), provided that (i) Tenant notifies Landlord at least ten (10) days prior to the effective date of any such assignment or sublease (provided that if prohibited by confidentiality, legal, or other governmental obligations, Tenant shall provide notice within ten (10) days following the transaction) and promptly supplies Landlord with any documents regarding such Transfer or Permitted Transferee as set forth above, (ii) Tenant is not in default, beyond the applicable notice and cure period, and such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease, (iii) such Permitted Transferee shall be of a character and reputation consistent with the quality of the Buildings, (iv) such Permitted Transferee shall have a tangible net worth (not including goodwill as an asset) computed in accordance with generally accepted accounting principles ("**Net Worth**") at least equal to the Net Worth of the original Tenant on the date of this Lease, (v) no assignment or sublease relating to this Lease, whether with or without Landlord's consent, shall relieve Tenant from any liability under this Lease, and (vi) the liability of such Permitted Transferee under either an assignment or sublease shall be joint and several with Tenant. An assignee of Tenant's entire interest in this Lease who qualifies as a Permitted Transferee may also be referred to herein as a "**Permitted Transferee Assignee**." "**Control**," as used in this Section 14.8, shall mean the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of more than fifty percent (50%) of the voting interest in, any person or entity.

14.9 **Office Sharing.** Notwithstanding anything to the contrary set forth herein, without Landlord's consent, Tenant may permit Office Sharing (as hereinafter defined) by affiliates of Tenant and Clients and Business Partners (as hereinafter defined), without the same constituting a Transfer within the meaning of this Section 14. The term "**Clients and Business Partners**" shall mean persons or entities who are occupying or using portions of the Premises and are either (a) performing services for Tenant, including, without limitation, as subcontractors, advisors, or consultants, (b) personnel employed by persons or entities for whom Tenant is performing services, or (c) persons or entities with whom Tenant is engaged in a joint venture or joint teaming. The term "**Office Sharing**" shall mean the use of portions of the Premises by affiliates of Tenant and/or Clients and Business Partners, which portions shall in the aggregate not exceed fifteen (15%) of the rentable area of the Premises (the "**Maximum Office Sharing Threshold**"), and, with respect to such affiliates of Tenant and Clients and Business Partners, such use is in connection with the services being provided to Tenant by the applicable Clients and Business Partners, the services being provided to the applicable affiliates of Tenant and Clients and Business Partners by Tenant, or the services being jointly provided by Tenant and the applicable Clients and Business Partners. For purposes of this Lease, the acts or omissions of Clients and Business Partners and employees or other personnel of affiliates of Tenant and Clients and Business Partners shall be deemed to be the acts or omissions (as applicable) of Tenant and/or Tenant's employees, and Tenant shall remain directly liable and primarily responsible for its obligations for the entirety of the Premises in accordance with the existing terms and provisions of this Lease. In no event shall the use or occupancy of any portion of the Premises by any affiliates of Tenant or Clients and Business Partners create or be deemed to create any right, title or interest of such party in any portion of the Premises or this Lease (other than that as a licensee). All Office Sharing hereunder shall terminate automatically upon the expiration or early termination of this Lease. Upon request from Landlord, Tenant shall provide to Landlord promptly after request a written list of the names and contact information of all Clients and Business Partners then being allowed access to the Premises by Tenant or which will be allowed access to the Premises in the future (for which Tenant is then aware of such access). Any equipment or other property of a Permitted Occupant in the Project shall be subject to the applicable provisions of this Lease related to personal property taxes and surrender of Premises.

## ARTICLE 15

### SURRENDER OF PREMISES; OWNERSHIP AND REMOVAL OF TRADE FIXTURES

15.1 **Surrender of Premises.** No act or thing done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in writing by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been properly terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises or terminate any or all such sublessees or subtenancies.

15.2 **Removal Requirements.** Upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this Article 15, quit and surrender possession of the Project to Landlord in good order and condition, reasonable wear and tear, casualty damage, and repairs which are specifically made the responsibility of Landlord hereunder excepted. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises the following, and repair all damage to the Premises, Building, or Project resulting from such removal, and at Landlord's option, restore any affected areas to a Building standard condition (as determined by Landlord): (i) all debris and rubbish, (ii) Tenant's Property, and (iii) all Removal Items. With respect to any Alterations that are not Removal Items, Tenant shall leave the same in good working order and condition, deliver to Landlord all necessary user information such that the same may be used by a future occupant of the Premises (e.g., any Water Sensors that remain shall be unblocked and ready for use by a third-party). If Tenant fails to perform the foregoing removal, repair and restoration obligations, then at Landlord's option, either (i) Tenant shall be deemed to be holding over in the Premises and Rent shall continue to accrue in accordance with the terms of Article 16 below, until such work shall be completed, and/or (ii) Landlord may do so and may charge the cost thereof to Tenant.

15.3 **Disposal Rights.** Without limiting any other rights or remedies of Landlord, any of Tenant's Property not removed by Tenant upon the expiration of this Lease, or within thirty (30) days after any early termination of this Lease, shall be considered abandoned and Landlord may, at its sole election (and regardless of the value of such property), (i) elect to take ownership of any or all of such property (in which event, subject to the rights of any third parties who have an ownership or security interest in any such property, Landlord may use, sell, or dispose of such property in Landlord's sole discretion), or (ii) store any or all of such property in a public warehouse or elsewhere (including at Landlord's property) for the account, and at the expense and risk, of Tenant. If Landlord elects to store Tenant's Property, then Tenant shall pay the cost of storing the same to Landlord (based on the actual costs and expenses incurred by Landlord in connection therewith, plus a 10% administrative fee, or if the property is being stored at property owned or controlled by Landlord or its affiliates, based on the then fair market rental value of the applicable space, in all cases as reasonably determined by Landlord). If Landlord elects to store any such personal property in accordance with item (ii) above, then Landlord may thereafter elect to take ownership of such property pursuant to item (i) above at any time prior to Tenant recovering possession of the subject property. The TCCs of this Section 15.3 have been specifically bargained for, and, to the maximum extent permitted by law, Tenant expressly waives the right to receive any notices under California Civil Code Section 1993 et seq., or any other statutory procedures with respect to abandoned personal property.

15.4 **Landlord Waiver and Tenant's Property Financing.** Landlord hereby waives any lien rights which it may otherwise have concerning any of Tenant's Property and Tenant shall have the right to remove the same at any time without Landlord's consent. Landlord acknowledges that Tenant has financed or may finance some or all of Tenant's Property through financing arrangements including promissory notes and a financial and security agreement for the financing of Tenant's Property with a third party or parties. In connection therewith, Landlord hereby disclaims any interest in Tenant's Property, as fixtures or otherwise and agrees to execute a commercially reasonable Landlord lien waiver form with any third-party lender that has financed or will finance such Tenant's Property, evidencing Landlord's waiver of such lien rights.

## **ARTICLE 16**

### **HOLDING OVER**

Unless otherwise agreed upon by Landlord in writing (in Landlord's sole and absolute discretion), if Tenant holds over after the expiration of the Lease Term, such tenancy shall be a tenancy at sufferance, and shall not constitute a renewal hereof or an extension for any further term, and in such case daily damages in any action to recover possession of the Premises shall be calculated at a daily rate equal to one hundred fifty percent (150%) of the Base Rent applicable during the last rental period of the Lease Term under this Lease (calculated on a per diem basis) and one hundred percent (100%) of all other Rent applicable during the last rental period of the Lease Term under this Lease (calculated on a per diem basis). Nothing contained in this Article 16 shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to vacate and deliver possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Article 16 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant holds over without Landlord's express written consent, and tenders payment of rent for any period beyond the expiration of the Lease Term by way of check (whether directly to Landlord, its agents, or to a lock box) or wire transfer, the cashing of such check or acceptance of such wire shall be considered inadvertent and not be construed as creating a month-to-month tenancy, provided Landlord refunds such payment to Tenant promptly upon learning that such check has been cashed or wire transfer received. Any holding over without Landlord's express written consent may compromise or otherwise affect Landlord's ability to enter into new leases with prospective tenants regarding the Premises. Therefore, if Tenant fails to vacate and deliver the Premises within thirty (30) days after the termination or expiration of this Lease, in addition to any other Losses to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from and against all claims made by any succeeding tenant founded upon such failure to vacate and deliver, and any losses suffered by Landlord, including lost profits, resulting from such failure to vacate and deliver. In addition, if Tenant fails to vacate and deliver the Premises within thirty (30) days after the expiration or early termination of this Lease, Tenant shall be liable for all damages (including attorneys' fees and expenses) of whatever type (including consequential damages) incurred by Landlord as a result of any holding over. Tenant agrees that any proceedings necessary to recover possession of the Premises, whether before or after expiration of the Lease Term, shall be considered an action to enforce the terms of this Lease for purposes of the awarding of any attorneys' fees in connection therewith.

## **ARTICLE 17**

### **ESTOPPEL CERTIFICATES**

Within ten (10) business days following a request in writing by Landlord (but no more than once each calendar year, except in connection with a sale or refinancing of the Project, or any Change of Control, or Permitted Transfer or other Transfer by Tenant), Tenant shall execute, acknowledge and deliver to Landlord an estoppel certificate, which, as submitted by Landlord, shall be substantially in the form of **Exhibit E**, attached hereto (or such other materially similar commercially reasonable form as may be required by any prospective mortgagee or purchaser of the Project, or any portion thereof), indicating therein any exceptions thereto that may exist at that time. Any such certificate may be relied upon by any prospective mortgagee or purchaser of all or any portion of the Project. At any time during the Lease Term (but no more than once each calendar year, except in connection with a sale or refinancing of the Project, or any Change of Control, or Permitted Transfer or other Transfer by Tenant), Landlord may require Tenant to provide Landlord with a current financial statement and financial statements of the two (2) years prior to the current financial statement year. Such statements shall be prepared in accordance with generally accepted accounting principles (or consistent with the method used for Tenant's financials submitted to Landlord prior to the Effective Date) and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant. Upon Tenant's request, Landlord (and/or its agents, lenders, and/or prospective purchasers, as applicable) shall execute and deliver to Tenant a commercially reasonable non-disclosure agreement prior to Tenant's delivery of any such financial statements. Notwithstanding the foregoing, in the event that (i) stock in the entity which constitutes Tenant under this Lease (as opposed to an entity that controls Tenant or is otherwise an affiliate of Tenant) is publicly traded on NASDAQ or a national stock exchange, and (ii) Tenant has its own, separate and distinct 10K and 10Q filing requirements (as opposed joint or cumulative filings with an entity that controls Tenant or with entities which are otherwise affiliates of Tenant),

then Tenant's obligation to provide Landlord with a copy of its most recent current financial statement shall be deemed satisfied.

## ARTICLE 18

### SUBORDINATION

Landlord represents and warrants to Tenant that the Project is not currently subject to any ground or underlying lease or the lien of any mortgage, trust deed or other like encumbrances. Subject to satisfaction of the condition stated below, this Lease shall be subject and subordinate to all future ground or underlying leases of the Buildings or Project and to the lien of any mortgage, trust deed or other like encumbrances hereafter in force against the Buildings or Project or any part thereof, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages, trust deeds or other encumbrances, or the lessors under such ground lease or underlying leases (each, a "**Security Holder**"), require in writing that this Lease be superior thereto. Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage or deed in lieu thereof (or if any ground lease is terminated), to attorn, without any deductions or set-offs whatsoever, to the lienholder or purchaser or any successors thereto upon any such foreclosure sale or deed in lieu thereof (or to the ground lessor), if so requested to do so by such purchaser or lienholder or ground lessor, and to recognize such purchaser or lienholder or ground lessor as the lessor under this Lease, provided such lienholder or purchaser or ground lessor shall agree to accept this Lease and not disturb Tenant's occupancy, so long as Tenant timely pays the rent and observes and performs the TCCs of this Lease to be observed and performed by Tenant. Landlord's interest herein may be assigned as security at any time to any lienholder. Notwithstanding the foregoing, the subordination of this Lease to any future ground or underlying lease, mortgage, trust deed or other like encumbrances shall be subject to, and conditioned upon, Tenant's receipt of a commercially reasonable subordination, attornment, and non-disturbance agreement (a "**SNDA**") in favor of Tenant from the applicable Security Holder. Tenant shall, within ten (10) business days of request by Landlord, execute such further commercially reasonable instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds, ground leases or underlying leases. Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale. Notwithstanding the foregoing, in the event the Security Holder shall have entered into a separate subordination, attornment and non-disturbance agreement directly with Tenant governing Tenant's obligation to attorn to the Security Holder or such successor in interest as lessor, the terms and provisions of such agreement shall supersede the provisions of this Subsection. Tenant shall be permitted to record any SNDA in the office of the Recorder of the County of Santa Clara.

## ARTICLE 19

### DEFAULTS; REMEDIES

19.1 **Events of Default.** The occurrence of any of the following shall constitute a default of this Lease by Tenant:

19.1.1 Any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease, or any part thereof, within five (5) business days after Landlord's delivery of written notice to Tenant that such sum is past due; or

19.1.2 Except as otherwise set forth in this Section 19.1, any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant where such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; provided that if the nature of such default is such that the same cannot reasonably be cured within a thirty (30) day period, Tenant shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure such default; or

19.1.3 To the extent permitted by Applicable Law, (i) Tenant or any guarantor of this Lease being placed into receivership or conservatorship, or becoming subject to similar proceedings under Federal or State law, or (ii) a general

assignment by Tenant or any guarantor of this Lease for the benefit of creditors, or (iii) the taking of any corporate action in furtherance of bankruptcy or dissolution whether or not there exists any proceeding under an insolvency or bankruptcy law, or (iv) the filing by or against Tenant or any guarantor of any proceeding under an insolvency or bankruptcy law, unless in the case of such a proceeding filed against Tenant or any guarantor the same is dismissed within sixty (60) days, or (v) the appointment of a trustee or receiver to take possession of all or substantially all of the assets of Tenant or any guarantor, unless possession is restored to Tenant or such guarantor within sixty (60) days, or (vi) any execution or other judicially authorized seizure of all or substantially all of Tenant's assets located upon the Premises or of Tenant's interest in this Lease, unless such seizure is discharged within sixty (60) days; or

19.1.4 The failure by Tenant to observe or perform according to the provisions of Section 5.1, Section 5.2, Articles 14, 17 or 18 of this Lease where such failure continues for more than ten (10) business days after notice from Landlord.

The notice periods provided herein are in lieu of, and not in addition to, any notice periods provided by law.

19.2 **Remedies Upon Default.** Upon the occurrence of any event of default by Tenant continuing beyond expiration of all applicable notice and cure periods, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity (all of which remedies shall be distinct, separate and cumulative), the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

19.2.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim for damages therefor; and Landlord may recover from Tenant the following:

- (a) The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus
- (b) 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
- (c) 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
- (d) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and
- (e) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by Applicable Laws.

The term "**rent**" as used in this Section 19.2 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 19.2.1(a) and (b), above, the "worth at the time of award" shall be computed by allowing interest at the Interest Rate. As used in Section 19.2.1(c), above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

19.2.2 Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on

account of any default by Tenant beyond any applicable notice and cure periods, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

19.2.3 Landlord shall at all times have the rights and remedies (which shall be cumulative with each other and cumulative and in addition to those rights and remedies available under Sections 19.2.1 and 19.2.2, above, or any law or other provision of this Lease), without prior demand or notice except as required by Applicable Laws, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease, or restrain or enjoin a violation or breach of any provision hereof.

19.3 **Subleases of Tenant.** Whether or not Landlord elects to terminate this Lease on account of any default by Tenant continuing beyond expiration of all notice and cure periods, as set forth in this Article 19, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

19.4 **Intentionally deleted.**

19.5 **Efforts to Relet.** No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlord's interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to Tenant. Tenant hereby irrevocably waives any right otherwise available under any law to redeem or reinstate this Lease.

19.6 **Landlord Default.** Notwithstanding anything to the contrary set forth in this Lease, Landlord shall be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease if Landlord fails to perform such obligation within thirty (30) days after the receipt of notice from Tenant specifying in detail Landlord's failure to perform; provided, however, if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be in default under this Lease if it shall commence such performance within such thirty (30) day period and thereafter diligently and continuously pursues the same to completion. Upon any such default by Landlord under this Lease, Tenant may, except as otherwise specifically provided in this Lease to the contrary, exercise any of its rights provided at law or in equity. Any award from a court or arbitrator in favor of Tenant requiring payment by Landlord which is not paid by Landlord within the time period directed by such award, may be offset by Tenant from Rent next due and payable under this Lease; provided, however, Tenant may not deduct the amount of the award against more than fifty percent (50%) of Base Rent next due and owing (until such time as the entire amount of such judgment is deducted) to the extent following a foreclosure or a deed-in-lieu of foreclosure.

19.7 **Tenant's Right to Make Repairs.** If Landlord fails to perform any maintenance or repair obligations expressly required of Landlord under this Lease with respect to the Premises, the Building and the Common Areas which failure materially adversely affects Tenant's use of the Premises, could result in a material cost to Tenant, or result in any increased liability to Tenant (such failure, a "**Delayed Repair**"), and, except in the case of an emergency where Tenant shall provide telephonic or email notice to Landlord as soon as reasonably practicable (so long as Landlord has notified Tenant of an appropriate phone number and/or email address), but no cure period is required, (a) such failure continues for a period of 30 days after Landlord's receipt of written notice from Tenant ("**First Repair Self Help Notice**") or, if such failure cannot reasonably be cured within 30 days, then such longer period as may be required for such cure provided that Landlord commences such cure within such 30-day period and diligently and continuously pursues such cure to completion, and (b) such failure continues for two (2) business days after receipt by Landlord of an additional written notice from Tenant following the expiration of the period described in clause (a) above ("**Second Repair Self Help Notice**"), and (c) Landlord has not reasonably disputed in writing that it has failed to perform any maintenance or repair obligation expressly required of Landlord under this Lease (which written dispute must be made in good faith and identify in reasonable detail the basis for such dispute), then Tenant shall have the right to perform the Delayed Repair, and Landlord shall reimburse Tenant for either

(i) the reasonable, out-of-pocket, third-party costs and expenses actually incurred by Tenant in curing such Delayed Repair, in an amount equal to the difference (if any) between such total costs and expenses actually incurred by Tenant less Tenant's Share of such costs and expenses, if and to the extent such costs and expenses are includable as Operating Expenses pursuant to Article 4 hereof or (ii) the reasonable costs and expenses actually incurred by Tenant in curing such Delayed Repair, if such costs and expenses are not so includable as Operating Expenses (as applicable, the "**Excess Repair Costs**") within thirty (30) days after Landlord has received from Tenant an invoice therefor; provided, however, that in no event may Tenant take any measures that adversely affect the Building Structure or Building Systems. If Landlord fails to make any such reimbursement payment within 30 days after Tenant delivers a written invoice to Landlord reasonably detailing the reasonable, out-of-pocket, third-party costs and expenses actually incurred, and such failure is not cured within five business days after a second written notice detailing the same is given to Landlord by Tenant, and Landlord has not otherwise disputed in writing the performance of the repair by Tenant or the Excess Repair Costs incurred by Tenant, then Tenant will be entitled to deduct the amounts owed by Landlord from the next monthly installment(s) of Base Rent due under this Lease until the sums owed have been fully repaid; provided, however, that Tenant may not deduct amounts greater than 25% of the monthly Base Rent due under this Lease from any single monthly installment of Base Rent (the "**Offset Limit**"). The First Repair Self Help Notice and the Second Repair Self Help Notice each must include a statement that Tenant intends to exercise this right to self help and must identify in reasonable detail the basis for the self help and the actions Tenant intends to undertake to perform the Delayed Repair. Further notwithstanding anything to the contrary contained in this Lease, Tenant's right to perform any such self help pursuant to this Section 19.7 is conditioned upon strict compliance by Tenant with the terms and conditions of Article 8 of this Lease.

#### **ARTICLE 20**

#### **COVENANT OF QUIET ENJOYMENT**

Landlord covenants that provided Tenant is not in any default under this Lease, beyond any applicable notice and cure period, Tenant shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the TCCs, provisions and agreements hereof without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant express or implied.

#### **ARTICLE 21**

#### **INTENTIONALLY OMITTED**

#### **ARTICLE 22**

#### **INTENTIONALLY OMITTED**

#### **ARTICLE 23**

#### **SIGNS**

23.1 **Interior Signage**. Tenant, at its sole cost and expense, may install signage anywhere in the interior of the Premises that is not visible from the exterior of the Premises, including in the elevator lobby of each floor of the Premises ("**Tenant's Interior Signage**").

23.2 **Tenant's Exterior Signage**. Subject to the terms and conditions of this Section 23.2, Tenant, at Tenant's sole cost and expense, shall have the exclusive right to install, repair and maintain signage depicting Tenant's name on (i) the exterior of the Buildings and (ii) the electronic billboard located in the Project ("**Tenant's Signage**"). Tenant's Signage shall not include any Objectionable Name (as defined below).

23.2.1 **Tenant's Signage Specifications and Permits.** Tenant's Signage shall set forth Tenant's name and logo as set forth on **Exhibit H**, attached hereto (or such other logo or sign as subsequently approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed), in the general locations determined by Tenant, reasonably approved by Landlord, and consistent with Applicable Laws. The graphics, materials, color, lighting, size, illumination, and exact location of Tenant's Signage shall be subject to the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed; provided, however, without limiting other reasons for which Landlord may reasonably withhold its approval, it shall be deemed reasonable for Landlord to withhold its approval of Tenant's Signage if the same unreasonably interferes with the Buildings' exterior window cleaning systems or does not comply with Applicable Laws or permits applicable to Tenant's Signage. For purposes of this **Section 23.2**, the reference to "name" shall mean name and/or logo, as the same may change from time to time. In addition, Tenant's Signage shall be subject to Tenant's receipt and maintenance of all required governmental permits and approvals and shall be subject to all Applicable Laws and to any covenants, conditions and restrictions affecting the Project. Landlord shall use commercially reasonable efforts to assist Tenant in obtaining all necessary governmental permits and approvals for Tenant's Signage. Tenant hereby acknowledges that, notwithstanding Landlord's approval of Tenant's Signage, Landlord has made no representation or warranty to Tenant with respect to the probability of obtaining or maintaining all necessary governmental approvals and permits for Tenant's Signage. In the event Tenant does not receive the necessary governmental approvals and permits for Tenant's Signage initially or any such approvals or permits are subsequently revoked, expire or are invalidated for any reason, Tenant may continue to pursue the necessary governmental approvals and permits for Tenant's Signage and Tenant's and Landlord's rights and obligations under the remaining TCCs of this Lease shall be unaffected.

23.2.2 **Termination of Right to Tenant's Signage.** In no event shall Tenant have any right to Tenant's Signage upon the occurrence of a default by Tenant under this Lease beyond any applicable notice and cure period set forth in this Lease.

23.2.3 **Cost and Maintenance.** The costs of the actual signs comprising Tenant's Signage and the installation, design, construction, and any and all other costs associated with Tenant's Signage, including, without limitation, utility charges and hook-up fees, permits, and maintenance and repairs, shall be the sole responsibility of Tenant. Should Tenant's Signage require repairs and/or maintenance, as determined in Landlord's reasonable judgment, Landlord shall have the right to provide notice thereof to Tenant and Tenant shall cause such repairs and/or maintenance to be performed within thirty (30) days after receipt of such notice from Landlord, at Tenant's sole cost and expense; provided, however, if such repairs and/or maintenance are reasonably expected to require longer than thirty (30) days to perform, Tenant shall commence such repairs and/or maintenance within such thirty (30) day period and shall diligently prosecute such repairs and maintenance to completion. Should Tenant fail to perform such repairs and/or maintenance within the periods described in the immediately preceding sentence, Landlord shall, upon the delivery of an additional ten (10) business days' prior written notice, have the right to cause such work to be performed and to charge Tenant as additional rent for the cost (including a percentage of the cost thereof sufficient to reimburse Landlord for all overhead, general conditions, fees and other costs or expenses arising from Landlord's involvement with such repairs and/or maintenance) of such work. Upon the expiration or earlier termination of this Lease, Tenant shall, at Tenant's sole cost and expense, cause Tenant's Signage to be removed and shall cause the areas in which such Tenant's Signage was located to be restored to the condition existing immediately prior to the placement of such Tenant's Signage except for ordinary wear and tear. If Tenant fails to timely remove such Tenant's Signage or to restore the areas in which such Tenant's Signage was located, as provided in the immediately preceding sentence, then Landlord may perform such work, and all costs incurred by Landlord in so performing (including a percentage of the cost thereof sufficient to reimburse Landlord for all overhead, general conditions, fees and other costs or expenses arising from Landlord's involvement with such repairs and/or maintenance) shall be reimbursed by Tenant to Landlord within thirty (30) days after Tenant's receipt of an invoice therefor. The TCCs of this **Section 23.2.3** shall survive the expiration or earlier termination of this Lease.

23.3 **Objectionable Name or Logo.** To the extent Tenant desires to change the name and/or logo, any new name and/or logo shall not have a name which relates to an entity which is of a character or reputation, or which would otherwise reasonably offend a landlord of a Comparable Building (an "**Objectionable Name**"). The parties hereby agree that the name "SiTime Corporation" or any reasonable derivation thereof or the logo for SiTime Corporation, shall not be deemed

an Objectionable Name. Furthermore, Landlord hereby acknowledges and agrees that this Section 23.3 shall not prohibit Tenant's use of the electronic billboard sign for Tenant marketing materials, news updates related to Tenant, Tenant special events, and messages related to Tenant which comply with Applicable Laws and the then existing codes and permits applicable to such sign.

## ARTICLE 24

### COMPLIANCE WITH LAW

24.1 **Tenant Responsibilities.** Tenant shall not do anything or suffer anything to be done in or about the Premises or the Project which will in any way conflict with any law, statute, ordinance or other governmental rule, regulation or requirement now in force or which may hereafter be enacted or promulgated, including, without limitation, any such governmental regulations related to disabled access and all Hazardous Materials Laws (collectively, "**Applicable Laws**"). At its sole cost and expense, Tenant shall promptly comply with all Applicable Laws (including the making of any alterations to the Premises required by Applicable Laws) which relate to (i) Tenant's use of the Premises, (ii) the Alterations or the Tenant Improvements in the Premises, and/or (iii) the Tenant Maintenance Responsibilities, and provided further that, in each instance, Tenant's failure to comply therewith would adversely affect any certificate of occupancy (or legal equivalent) for the Project, or would unreasonably and materially affect the safety of Tenant's employees or create a significant health hazard for Tenant's employees, or is required to be remedied by a governmental authority. Should any standard or regulation now or hereafter be imposed on Landlord or Tenant by a state, federal or local governmental body charged with the establishment, regulation and enforcement of occupational, health or safety standards for employers, employees, landlords or tenants, then Tenant agrees, at its sole cost and expense, to comply promptly with such standards or regulations. The judgment of any court of competent jurisdiction or the admission of Tenant in any judicial action, regardless of whether Landlord is a party thereto, that Tenant has violated any of said governmental measures, shall be conclusive of that fact as between Landlord and Tenant.

24.2 **Landlord Responsibilities.** Landlord shall comply with all Applicable Laws relating to the Building Structure and Landlord Maintenance Responsibilities, provided that compliance with such Applicable Laws is not the responsibility of Tenant under this Lease, and provided further that Landlord's failure to comply therewith would adversely affect any certificate of occupancy (or legal equivalent) for the Project, or would unreasonably and materially affect the safety of Tenant's employees or create a significant health hazard for Tenant's employees, or is required to be remedied by a governmental authority. Landlord shall be permitted to include in Operating Expenses any costs or expenses incurred by Landlord under this Article 24.

24.3 **Certified Access Specialist.** For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Premises have not undergone inspection by a Certified Access Specialist (CASp). As required by Section 1938(e) of the California Civil Code, Landlord hereby states as follows: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." In furtherance of the foregoing, Landlord and Tenant hereby agree as follows: (i) any CASp inspection requested by Tenant shall be conducted, at Tenant's sole cost and expense, by a CASp designated by Landlord, subject to Landlord's reasonable rules and requirements; and (ii) Tenant's and Landlord's respective obligations for making any improvements or repairs to correct violations of construction-related accessibility standards shall be as set forth in Sections 24.1 and 24.2 above; and (iii) if anything done by or for Tenant in its use or occupancy of the Premises shall require any improvements or repairs to the Buildings or Project (outside the Premises) to correct violations of construction-related accessibility standards, then Tenant shall reimburse Landlord upon demand, as Additional Rent, for the cost to Landlord of performing such improvements or repairs.

## ARTICLE 25

### LATE CHARGES

If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee when due, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the overdue amount plus any attorneys' fees incurred by Landlord by reason of Tenant's failure to pay Rent and/or other charges when due hereunder; provided, however, with regard to the first two (2) such failures in any twelve (12) month period, Landlord will waive such late charges to the extent Tenant cures such failure within five (5) business days following Tenant's receipt of written notice from Landlord that the same was not received when due. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing hereunder which are not paid within ten (10) days after Tenant's receipt of written notice from Landlord that the same was not received when due shall bear interest from the date when due until paid at the "Interest Rate." For purposes of this Lease, the "Interest Rate" shall be an annual rate equal to the lesser of (i) the annual "Bank Prime Loan" rate cited in the Federal Reserve Statistical Release Publication H.15(519), published weekly (or such other comparable index as Landlord and Tenant shall reasonably agree upon if such rate ceases to be published), plus two (2) percentage points, and (ii) the highest rate permitted by Applicable Laws.

## ARTICLE 26

### LANDLORD'S RIGHT TO CURE DEFAULT; PAYMENTS BY TENANT

All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent. If Tenant shall fail to perform any of its obligations under this Lease, beyond any applicable notice and cure periods, Landlord may, but shall not be obligated to, after reasonable prior notice to Tenant, make any such payment or perform any such act on Tenant's part without waiving its right based upon any default of Tenant and without releasing Tenant from any obligations hereunder. Except as may be specifically provided to the contrary in this Lease, Tenant shall pay to Landlord, within thirty (30) days after delivery by Landlord to Tenant of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with the remedying by Landlord of Tenant's defaults pursuant to the provisions of this Article 26; (ii) sums equal to all losses, costs, liabilities, damages and expenses referred to in Article 10 of this Lease; and (iii) sums equal to all expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent or in enforcing or attempting to enforce any rights of Landlord under this Lease or pursuant to law, including, without limitation, all legal fees and other amounts so expended. Tenant's obligations under this Article 26 shall survive the expiration or sooner termination of the Lease Term.

## ARTICLE 27

### ENTRY BY LANDLORD

Landlord reserves the right at all reasonable times and upon at least forty-eight (48) hours' prior notice (except in the case of an emergency, in which case no prior notice is required) to the Tenant to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, mortgagees, to the ground or underlying lessors, or to prospective tenants during the last twelve (12) months of the Lease Term; (iii) post notices of non-responsibility; or (iv) alter, improve or repair the Premises or the Buildings if necessary to comply with current building codes or other Applicable Laws, or for structural alterations, repairs or improvements to the Buildings, to the extent Landlord is required or permitted to do so under the terms hereof. Notwithstanding anything to the contrary contained in this Article 27, Landlord may enter the Premises at any time to (A) perform services required of Landlord; (B) take possession due to any breach of this Lease in the manner provided herein; and (C) perform any covenants of Tenant which Tenant fails to perform to the extent permitted under the terms hereof. Any such entries shall be without the abatement of Rent and shall include the right to take such reasonable steps as required to accomplish the stated purposes. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss

occasioned thereby. In an emergency, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises. In exercising its rights under this [Article 27](#), Landlord shall: (i) provide Tenant with an opportunity to provide Landlord's representative(s) with an escort, (ii) use commercially reasonable efforts not to unreasonably disturb Tenant's use of the Premises, and (iii) comply with Tenant's reasonable security and safety rules and regulations, subject to Applicable Laws. Notwithstanding anything to the contrary set forth in this Lease, Tenant may designate certain limited areas of the Premises as "**Secured Areas**" should Tenant require such areas for the purpose of securing certain valuable property, experiments, sensitive research equipment or confidential information or to protect against interference with experiments. In connection with the foregoing, Landlord shall not enter such Secured Areas except in the event of an emergency or, upon 5 business days' notice, provided, that Landlord shall only enter such Secured Area to perform maintenance and repairs to the extent (i) such repair or maintenance is required to be maintained by Landlord under this Lease, (ii) as required by Applicable Laws, or (iii) in response to specific requests by Tenant and in accordance with a schedule reasonably designated by Tenant, subject to Landlord's reasonable approval.

## **ARTICLE 28**

### **TENANT PARKING**

28.1 **In General.** Commencing on the Lease Commencement Date, Tenant shall have the exclusive right to use the parking facilities, except that Landlord may utilize a limited portion of parking spaces as reasonably necessary to perform Landlord's Maintenance Obligations. Tenant shall be responsible for the full amount of any taxes imposed by any governmental authority in connection with the use of the parking facilities by Tenant. As may be required by Applicable Law, the New Underlying Documents, or if the Generator Area is located in the Project parking facilities, Landlord specifically reserves the right to change the size, configuration, design, layout and all other aspects of the Project parking facilities upon at least thirty (30) days' prior written notice to Tenant, provided that (a) Landlord shall coordinate any such changes with Tenant, (b) Tenant shall have the right to reasonably approve any such changes to the parking facilities, and (c) any such changes shall (i) cause no net reduction in the number of parking spaces available for use by Tenant, (ii) cause Tenant's parking spaces to be similarly convenient in terms of location, quality and safety.

28.2 **Electrical Vehicle Charging Stations.** Landlord shall deliver the Premises to Tenant on the Lease Commencement Date with the seven (7) parking stalls served by electrical vehicle charging stations which are located in the portion of the Project parking facilities designated for use by tenants of the Buildings in good working order and condition. Tenant shall maintain the electrical vehicle charging stations during the Lease Term and shall have the exclusive right to use the same during the Lease Term (at no separate cost to Tenant from Landlord, but there may be a charge to the individual users of the charging stations). Upon Landlord's written approval, Tenant may install additional electric vehicle charging stations in the facilities of the Project during the Lease Term, at Tenant's sole cost and expense, subject to the terms of [Article 8](#).

## **ARTICLE 29**

### **MISCELLANEOUS PROVISIONS**

29.1 **Binding Effect.** Subject to all other provisions of this Lease, each of the covenants, conditions and provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective heirs, personal representatives, successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of [Article 14](#) of this Lease.

29.2 **No Air Rights.** No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease. If at any time any windows of the Premises are temporarily darkened or the light or view therefrom is obstructed by reason of any repairs, improvements, maintenance or cleaning in or about the Project, the same shall be without liability to Landlord and without any reduction or diminution of Tenant's obligations under this Lease.

29.3 **Modification of Lease.** Should any current or prospective mortgagee for the Buildings or Project require a modification of this Lease, which modification will not cause an increased cost or expense to Tenant or in any other way adversely change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees to execute any commercially reasonable documents are reasonably required therefor and to deliver the same to Landlord within thirty (30) days following a request therefor. At the request of Landlord or any mortgagee or ground lessor, Tenant agrees to execute a short form of Lease and deliver the same to Landlord within thirty (30) days following the request therefor. In the event Tenant is required to execute any documents pursuant to this Section 29.3, Landlord shall reimburse Tenant for its out-of-pocket legal costs in connection with the negotiation thereof; provided, however, such legal costs shall not exceed Ten Thousand Dollars (\$10,000) in the aggregate for each request in the ordinary course of business. For purposes hereof, in the "ordinary course of business" shall include, without limitation, the review of no more than three (3) rounds of comments to the applicable documentation.

29.4 **Transfer of Landlord's Interest.** Tenant acknowledges that Landlord has the right to transfer all or any portion of its interest in the Project or Buildings and in this Lease, and Tenant agrees that in the event of any such transfer, Landlord shall automatically be released from all liability under this Lease and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder after the date of transfer and such transferee shall be deemed to have fully assumed and be liable for all obligations of this Lease to be performed by Landlord, including the return of any security deposit, and Tenant shall attorn to such transferee. Tenant further acknowledges that Landlord may assign its interest in this Lease to a mortgage lender as additional security and agrees that such an assignment shall not release Landlord from its obligations hereunder and that Tenant shall continue to look to Landlord for the performance of its obligations hereunder.

29.5 **Prohibition Against Recording or Publication.** Neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded or otherwise published by Tenant or by anyone acting through, under or on behalf of Tenant.

29.6 **Landlord's Title.** Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord.

29.7 **Application of Payments.** Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

29.8 **Time of Essence.** Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

29.9 **Partial Invalidity.** If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

29.10 **No Warranty.** In executing and delivering this Lease, Tenant has not relied on any representations, including, but not limited to, any representation as to the amount of any item comprising Additional Rent or the amount of the Additional Rent in the aggregate, or any warranty or any statement of Landlord which is not set forth herein or in one or more of the exhibits attached hereto. Tenant agrees that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the physical condition of the Buildings, the Project, the land upon which the Buildings or the Project are located, or the Premises, or the expenses of operation of the Premises, the Buildings or the Project, or any other matter or thing affecting or related to the Premises, except as herein expressly set forth in the provisions of this Lease.

29.11 **Limitation on Liability.** The liability of Landlord or the Landlord Parties to Tenant for any default by Landlord under this Lease or arising in connection herewith or with Landlord's operation, management, leasing, repair, renovation, alteration or any other matter relating to the Project or the Premises shall be limited solely and exclusively to an amount which is equal to the interest of Landlord in the Buildings and the proceeds therefrom. Neither Landlord, nor any of the Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. Tenant's employees, partners, beneficiaries,

officers, directors, trustees, shareholders, members, managers, or agents shall not have any personal liability hereunder, and Landlord hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through, or under Landlord. The limitations of liability contained in this Section 29.11 shall inure to the benefit of Landlord's, Tenant's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner of Landlord (if Landlord is a partnership), or trustee or beneficiary (if Landlord or any partner of Landlord is a trust), have any liability for the performance of Landlord's obligations under this Lease. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring. Neither Landlord nor Tenant shall have any liability to the other for any consequential, indirect, special or punitive damages, except for those consequential damages set forth in Article 16. In the event Tenant obtains a final non-appealable judgment against Landlord, but is unable to collect after reasonable collection efforts because Landlord has no equity in the Building, or is otherwise judgment-proof, Tenant, at its option, may offset the judgment against its rental obligations hereunder or, if at the end of the Lease Term, extend the Lease.

29.12 **Entire Agreement**. It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease and this Lease constitutes the parties' entire agreement with respect to the leasing of the Premises and supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto (including, without limitation, any confidentiality agreement, letter of intent, or request for proposal, or similar agreement previously entered into between Landlord and Tenant in anticipation of this Lease) or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. None of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto.

29.13 **Intentionally Omitted**.

29.14 **Force Majeure**. Notwithstanding anything to the contrary contained in this Lease (but subject to the remaining TCCs of this Section 29.14), any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, acts of war, terrorist acts, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, governmental laws, regulations or restrictions, civil commotions, Casualty, actual or threatened public health emergency (including, without limitation, epidemic, pandemic, famine, disease, plague, quarantine, and other significant public health risk), governmental edicts, actions, declarations or quarantines by a governmental entity or health organization (including, without limitation, any shelter-in-place orders, stay at home orders or any restrictions on travel related thereto that preclude Tenant, its agents, contractors or its employees from accessing the Premises, national or regional emergency), breaches in cybersecurity, and other causes beyond the reasonable control of the party obligated to perform, regardless of whether such other causes are (i) foreseeable or unforeseeable or (ii) related to the specifically enumerated events in this paragraph (collectively, a "**Force Majeure**"), shall excuse the performance of such party for a period of time equal to any such prevention, delay or stoppage. If this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure. Notwithstanding the foregoing or anything to the contrary contained in this Lease, in no event shall Force Majeure: (a) excuse Tenant's obligations to pay Rent and other charges due pursuant to this Lease, or (b) entitle either party to terminate this Lease, except as allowed pursuant to Articles 11 and 13 of this Lease, or (c) excuse Tenant's obligations under Articles 5 and 24 of this Lease, or (d) intentionally deleted, or (e) excuse Tenant from paying for utilities whether to Landlord or a utility provider, or (f) extend the occurrence of the Lease Commencement Date. Without limiting the generality of the foregoing, Tenant agrees and acknowledges that (1) events of Force Majeure may limit, interfere with, or prevent Tenant for using the Premises, and from entering the Premises, (2) such potential interference, limitation, and prevention is foreseeable, and (3) no such limitations, interference or prevention shall constitute frustration of purpose, impossibility of performance, or impracticality of performance with respect to this Lease. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1511 of the California Civil Code, and hereby agrees that this Section 29.14 is an express provision to the contrary. Tenant's agreement to the TCCs of this Section 29.14 is material consideration for Landlord's agreement to enter into this Lease.

29.15 **Waiver of Redemption by Tenant.** Tenant hereby waives, for Tenant and for all those claiming under Tenant, any and all rights now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

29.16 **Notices.** All notices, demands, statements or communications (collectively, "**Notices**") given or required to be given by either party to the other hereunder shall be in writing, shall be (A) delivered by a nationally recognized overnight courier, or (B) delivered personally. Any such Notice shall be delivered (i) to Tenant at the appropriate address set forth in Section 10 of the Summary, or to such other place as Tenant may from time to time designate in a Notice to Landlord; or (ii) to Landlord at the addresses set forth in Section 11 of the Summary, or to such other firm or to such other place as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given on the date of receipted delivery, of refusal to accept delivery, or when delivery is first attempted but cannot be made due to a change of address for which no Notice was given. If Tenant is notified of the identity and address of Landlord's mortgagee or ground or underlying lessor, Tenant shall give to such mortgagee or ground or underlying lessor written notice of any default by Landlord under the terms of this Lease by registered or certified mail, and such mortgagee or ground or underlying lessor shall be given a reasonable opportunity to cure such default prior to Tenant's exercising any remedy available to Tenant. The party delivering Notice shall use commercially reasonable efforts to provide a courtesy copy of each such Notice to the receiving party via electronic mail. Any written notice delivered by either party's legal counsel delivered in accordance with this Section 29.16 shall constitute and be deemed effective notice hereunder.

29.17 **Authority.** If Tenant is a corporation, trust or partnership, each individual executing this Lease on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in California and that Tenant has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so. Landlord hereby represents and warrants to Tenant that the individual signing this Lease on Landlord's behalf has been duly authorized to do so, this Lease has been duly executed and delivered by Landlord, and Landlord has full power and authority to enter into this Lease and perform the obligations described herein

29.18 **Attorneys' Fees.** In the event that either Landlord or Tenant should bring suit for the possession of the Premises, for the recovery of any sum due under this Lease, or because of the breach of any provision of this Lease or for any other relief against the other, then all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party therein shall be paid by the other party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment.

29.19 **Governing Law; WAIVER OF TRIAL BY JURY.** This Lease shall be construed and enforced in accordance with the laws of the State of California. IN ANY ACTION OR PROCEEDING ARISING HEREFROM, LANDLORD AND TENANT HEREBY CONSENT TO (I) THE JURISDICTION OF ANY COMPETENT COURT WITHIN THE STATE OF CALIFORNIA, (II) SERVICE OF PROCESS BY ANY MEANS AUTHORIZED BY CALIFORNIA LAW, AND (III) IN THE INTEREST OF SAVING TIME AND EXPENSE, TRIAL WITHOUT A JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR THEIR SUCCESSORS IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE, OR ANY EMERGENCY OR STATUTORY REMEDY. IN THE EVENT LANDLORD COMMENCES ANY SUMMARY PROCEEDINGS OR ACTION FOR NONPAYMENT OF BASE RENT OR ADDITIONAL RENT, TENANT SHALL NOT INTERPOSE ANY COUNTERCLAIM OF ANY NATURE OR DESCRIPTION (UNLESS SUCH COUNTERCLAIM SHALL BE MANDATORY) IN ANY SUCH PROCEEDING OR ACTION, BUT SHALL BE RELEGATED TO AN INDEPENDENT ACTION AT LAW.

29.20 **Brokers.** Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the real estate brokers or agents specified in Section 12 of the Summary (the "**Brokers**"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Landlord shall pay the Brokers pursuant to the terms of separate commission agreements. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation

reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent, other than the Brokers, occurring by, through, or under the indemnifying party.

29.21 **Independent Covenants.** This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord.

29.22 **Counterparts.** This Lease may be executed in counterparts with the same effect as if both parties hereto had executed the same document. Both counterparts shall be construed together and shall constitute a single lease.

29.23 **Confidentiality.** Tenant acknowledges that the content of this Lease and any related documents are confidential information. Tenant shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Tenant's financial, legal, and space planning consultants and as required by Applicable Laws (including, without limitation, submission of 8-K filings, 10-Q filings, and 10-K filings).

29.24 **Buildings Renovations.** It is specifically understood and agreed that Landlord has made no representation or warranty to Tenant and has no obligation and has made no promises to alter, remodel, improve, renovate, repair or decorate the Premises, Buildings, or any part thereof and that no representations respecting the condition of the Premises or the Buildings have been made by Landlord to Tenant except as specifically set forth herein or in the Work Letter.

29.25 **No Violation.** Tenant hereby warrants and represents that neither its execution of nor performance under this Lease shall cause Tenant to be in violation of any agreement, instrument, contract, law, rule or regulation by which Tenant is bound, and Tenant shall protect, defend, indemnify and hold Landlord harmless against any claims, demands, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable attorneys' fees and costs, arising from Tenant's breach of this warranty and representation.

29.26 **Communications and Computer Lines.** Tenant may install, maintain, replace, remove or use any communications or computer wires and cables (collectively, the "**Lines**") at the Project in or serving the Premises, provided that (i) the Lines (including riser cables) shall be (x) appropriately insulated to prevent excessive electromagnetic fields or radiation, (y) surrounded by a protective conduit reasonably acceptable to Landlord, and (z) identified in accordance with the Identification Requirements, as that term is set forth hereinbelow, (ii) any new or existing Lines servicing the Premises shall comply with all applicable governmental laws and regulations, and (iii) Tenant shall pay all costs in connection therewith. All Lines shall be clearly marked with adhesive plastic labels (or plastic tags attached to such Lines with wire) to show Tenant's name, suite number, telephone number and the name of the person to contact in the case of an emergency (A) every four feet (4') outside the Premises (specifically including, but not limited to, the electrical room risers), and (B) at the Lines' termination point(s) (collectively, the "**Identification Requirements**"). Upon the expiration of the Lease Term, or immediately following any earlier termination of this Lease, Tenant shall, at Tenant's sole cost and expense, remove all Lines installed by Tenant, and repair any damage caused by such removal. In the event that Tenant fails to complete such removal and/or fails to repair any damage caused by the removal of any Lines, Landlord may do so and may charge the cost thereof to Tenant. Landlord reserves the right to require that Tenant remove any Lines located in or serving the Premises which are installed in violation of these provisions, or which are at any time (1) are in violation of any Applicable Laws, or (2) otherwise represent a dangerous or potentially dangerous condition.

29.27 **Hazardous Materials.** Landlord and Tenant hereby acknowledge and agree that the terms of **Exhibit G** attached hereto are incorporated into this Lease by this reference.

29.28 **Joint and Several.** If there is more than one Tenant, the obligations imposed upon Tenant under this Lease shall be joint and several.

29.29 **Project or Buildings Name and Signage.** Landlord shall have the right at any time to change the name of the Project or Buildings, as Landlord may, in Landlord's sole discretion, desire, upon at least thirty (30) days' prior written notice to Tenant.

29.30 **Transportation Management.** Tenant shall comply with all present or future mandatory programs intended to manage parking, transportation or traffic in and around the Buildings, and in connection therewith, Tenant shall take reasonable action for the transportation planning and management of all employees located at the Premises by working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities.

29.31 **Rooftop Rights.** In accordance with, and subject to, (A) intentionally deleted, (B) intentionally deleted, and (C) the TCCs set forth in Article 8 of this Lease and this Section 29.31, Tenant shall have the exclusive right to install, repair, maintain and use, at Tenant's sole cost and expense, but without the payment of any Base Rent or similar fee or charge, certain antennae, satellites, supplemental HVAC, and other rooftop equipment serving the Premises on the roof of the Building (the "**Rooftop Equipment**"). Tenant may add Rooftop Equipment, whether similar or dissimilar to that described in the preceding sentence and whether in substitution for or in addition to that described in the preceding sentence, subject to obtaining Landlord's prior written consent, and subject to availability and compliance with the TCCs of this Section 29.31. Any such additional or replacement Rooftop Equipment shall be of a reasonable size and weight and shall not require the installation of bracing or other structural support or adversely affect Landlord's roof warranties. Tenant shall be solely responsible for any and all costs incurred or arising in connection with the Rooftop Equipment, including but not limited to costs of electricity and insurance related to the Rooftop Equipment. Landlord makes no representations or warranties whatsoever with respect to the fitness or suitability of the roofs of the Buildings for the installation, maintenance and operation of the Rooftop Equipment, including, without limitation, with respect to the quality and clarity of any receptions and transmissions to or from the Rooftop Equipment and the presence of any interference with such signals whether emanating from the Buildings or otherwise. The physical appearance and the size of the Rooftop Equipment shall be subject to Landlord's reasonable approval, the location of any such Rooftop Equipment shall be mutually approved by Landlord and Tenant and Landlord may require Tenant to install screening around such Rooftop Equipment, at Tenant's sole cost and expense, as reasonably designated by Landlord. Tenant shall service, maintain and repair such Rooftop Equipment, at Tenant's sole cost and expense. In the event Tenant elects to exercise its right to install the Rooftop Equipment, then Tenant shall give Landlord prior notice thereof. Tenant shall reimburse to Landlord the actual out-of-pocket costs reasonably incurred by Landlord in approving such Rooftop Equipment. Prior to the expiration or earlier termination of this Lease, Tenant shall remove and restore the affected portion of the rooftops, the Buildings and the Premises to the condition the rooftops, the Buildings and the Premises would have been in had no such Rooftop Equipment been installed (reasonable wear and tear and damage from Casualty and condemnation that is not Tenant's obligation to repair pursuant to Article 11, above excepted). Such Rooftop Equipment shall be installed pursuant to plans and specifications approved by Landlord (specifically including, without limitation, all mounting and waterproofing details), which approval will not be unreasonably withheld, conditioned or delayed; provided, however, that Landlord may withhold such consent in its sole and absolute discretion if the weight of the Rooftop Equipment would require the installation of bracing or other structural support or would adversely affect Landlord's roof warranties. Notwithstanding any such review or approval by Landlord, Tenant shall remain solely liable for any damage arising in connection with Tenant's installation, use, maintenance and/or repair of such Rooftop Equipment, including, without limitation, any damage to a portion of the roofs or roof membrane and any penetrations to the roofs. Landlord and Tenant hereby acknowledge and agree that Landlord shall have no liability in connection with Tenant's use, maintenance and/or repair of such Rooftop Equipment. Such Rooftop Equipment shall, in all instances, comply with all Applicable Laws. Tenant shall not be entitled to license its Rooftop Equipment to any third party, nor shall Tenant be permitted to receive any revenues, fees or any other consideration for the use of such Rooftop Equipment by a third party; provided, however, that Tenant shall have the right to permit its assignees and subtenants to use Rooftop Equipment in connection with their use of the Premises (or a portion thereof).

29.32 **Energy Performance Disclosure Information.** Tenant hereby acknowledges that Landlord may be required to disclose certain information concerning the energy performance of the Buildings pursuant to Applicable Laws (collectively the "**Energy Disclosure Requirements**"). Tenant further acknowledges that pursuant to the Energy Disclosure Requirements, Landlord may be required in the future to disclose information concerning Tenant's energy usage to certain third parties, including, without limitation, prospective purchasers, lenders and tenants of the Buildings (the "**Tenant Energy Use Disclosure**"). Tenant hereby (A) consents to all such Tenant Energy Use Disclosures, and (B) acknowledges that Landlord shall not be required to notify Tenant of any Tenant Energy Use Disclosure.

29.33 **Utility Billing Information**. If required by Applicable Laws, Tenant shall promptly, but in no event more than five (5) business days following Landlord's request therefor, provide Landlord with a copy of each invoice from the applicable utility provider.

*[Signatures commence on the following page]*

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed as of the Effective Date.

**"LANDLORD":**

3250 JAY STREET OWNER LLC,  
a Delaware limited liability company

By: 3250 Jay Street Associates, LLC,  
a Delaware limited liability company,  
its Member

By: MARITIME MANAGEMENT, LLC,  
a Delaware limited liability company, its Manager

By: /s/ Joshua J. Dapice

Name: Joshua J. Dapice

Its: Authorized Signatory

[TENANT SIGNATURE PAGE TO LEASE]

"TENANT":

SITIME CORPORATION,  
a Delaware corporation

By: /s/ Samsheer Ahamad

Name: Samsheer Ahamad

Its: SVP, Finance & Chief Accounting Officer

**EXHIBIT A**  
**OUTLINE OF PREMISES**

**EXHIBIT B**  
**WORK LETTER**

This Work Letter shall set forth the terms and conditions relating to the construction of the Tenant Improvements (as defined below). All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Lease.

**SECTION 1**  
**TENANT IMPROVEMENTS; TIME DEADLINES**

1.1 **Tenant Improvements**. Landlord shall retain McLarney Construction or a general contractor reasonably selected by Landlord (the "**Contractor**") and cause the installation and/or construction of certain permanently affixed improvements in the Premises as identified on the "Approved Working Drawings," as defined below (the "**Tenant Improvements**"), consistent with the space plan attached hereto as **Schedule 1**. Landlord shall cause the Tenant Improvements to be constructed in accordance with the Approved Working Drawings (hereinafter defined), in a good and workmanlike manner and in compliance with Applicable Laws to the extent required to obtain a certificate of occupancy, temporary certificate of occupancy, or legal equivalent for the Premises and permits for construction of the Tenant improvements.

1.2 **Time Deadlines**. In order to timely complete construction of the Tenant Improvements, Landlord requires that Tenant comply with certain time deadlines in connection with the design and construction of the Tenant Improvements. The applicable dates (each, a "**Time Deadline Date**") for approval of items, plans and drawings, as described in this **Section 1.2**, and **Sections 2** and **3**, below, and in this Tenant Work Letter are set forth and further elaborated upon in **Schedule 2** (individually, a "**Time Deadline**" and, collectively, the "**Time Deadlines**"), attached hereto. Tenant and Landlord shall use their respective commercially reasonable, good faith efforts and due diligence to cooperate with each other to complete all phases of the construction of the Tenant Improvements in a timely manner. Tenant shall meet, and shall cause Tenant's Agents (as defined below) to meet, with Landlord on a scheduled basis to be reasonably determined by Landlord and Tenant. Time is of the essence with respect to the performance by Tenant and Landlord of every provision of this Tenant Work

Letter. Each Time Deadline Date shall occur as provided in this Tenant Work Letter, provided that each Time Deadline Date shall be extended by the number of days of delay to the extent (a) caused by a Landlord Delay (as that term is defined below), where such Landlord Delay delays the applicable Time Deadline to and (b) Force Majeure Delay. Furthermore, if the Substantial Completion of the Tenant Improvements has not occurred by [\*\*\*], other than as a result of Tenant Delays, then the Lease Commencement Date shall be extended on a day for day basis for each day of Landlord Delay and Force Majeure Delay (not to exceed one hundred twenty (120) total days of Force Majeure Delay).

1.2.1 **Landlord Delay.** Notwithstanding the foregoing, no Landlord Delay shall be deemed to have occurred unless and until Tenant has provided written notice to Landlord specifying the action or inaction that Tenant contends constitutes a Landlord Delay. If such action or inaction has not been cured within one (1) business day after receipt of such notice, then a Landlord Delay, as set forth in such notice, shall be deemed to have occurred commencing as of the date such notice is received. "**Landlord Delay**" shall mean actual delays to the extent resulting from (i) Landlord's failure to timely approve any matter that expressly requires Landlord's approval under this Tenant Work Letter, (ii) Landlord's failure to perform its obligations under this Tenant Work Letter or the Lease, including any disapproval of Construction Drawings that is not permitted under this Tenant Work Letter; or (iii) any act or omission of Landlord or its agents, contractors, employees, consultants, or the architect of record, which interferes with or delays the progress of the Tenant Improvements or Tenant's ability to provide any required approvals or decisions under this Tenant Work Letter.

1.2.2 **Force Majeure Delay; Permit Delay.** "**Force Majeure Delay**" shall mean only an actual delay in completion of the Tenant Improvements resulting from (1) industry-wide strikes, fire, wind, rain (but only in excess of the reasonably predictable five (5) year average (in terms of days of rain or inches of rain) for Santa Clara, California), damage or destruction to the Project or Tenant Improvements, explosion, Casualty, flood, hurricane, tornado, the elements, acts of God or the public enemy, sabotage, war, invasion, insurrection, rebellion, civil unrest, riots, earthquakes, (2) an actual, industry-wide delay affecting all similar works of construction in the vicinity of the Building, including by reason of regulation or order of any governmental agency, and (3) Permit Delay. "**Permit Delay**" means actual delays in constructing the Tenant Improvements to the extent resulting from a complete cessation of the issuance of permits by applicable governmental authorities.

1.2.3 **Construction Schedule.** Attached hereto as Schedule 3 to Exhibit B is a construction schedule for the Tenant Improvements (the "Construction Schedule"). Landlord shall update and revise the Construction Schedule during the course of construction of the Tenant Improvements. Landlord will provide Tenant, with such updates and revisions, no less frequently than monthly, or earlier, if requested by Tenant (but not more frequently than once every two (2) weeks) to show the percentage completion of each item, and identify new line items and deleted line items. The Construction Schedule is based upon the critical path method detailing critical and non-critical activities, dependencies and float.

## **SECTION 2**

### **TENANT IMPROVEMENTS; CHANGE ORDERS**

2.1 **TI Conceptual Design Drawings.** Within the time period set forth on Schedule 2, Tenant shall retain Studio G as an architect, or another architect reasonably selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed (the "**Architect**") to prepare the plans and specifications for the Tenant Improvements, which shall include the TI Conceptual Design Drawings (hereinafter defined) the TI Schematic Design Drawings (hereinafter defined), and the TI Design Development Drawings (hereinafter defined) (to the extent then prepared, collectively, the "**Construction Drawings**"). Within the time periods set forth in Schedule 2, Tenant shall cause the Architect to prepare and Tenant shall provide Landlord with a conceptual design package for the Tenant Improvements (the "**TI Conceptual Design Drawings**"). The TI Conceptual Design Drawings shall reflect the general layout, space utilization, and high-level design intent for the Premises, including preliminary location of major partitions, collaboration areas, private offices, major equipment zones, and any other elements that may materially affect Building Systems or Building Structure, which shall be a natural and logical extension of the Space Plan attached hereto as Schedule 1. The TI Conceptual Design Drawings are intended for general planning and coordination purposes only and are not required to contain detailed engineering or construction-level information. Landlord shall review the TI Conceptual Design Drawings, within ten (10) business days after receipt shall provide its approval or reasonably detailed written disapproval, which shall not be unreasonably withheld,

conditioned or delayed. Landlord's failure to respond within such ten (10) business day period (and following expiration of an additional five (5) business day notice and cure period) shall be deemed Landlord's approval of the TI Conceptual Design Drawings. Once approved (or deemed approved), the TI Conceptual Design Drawings shall serve as the basis for the TI Schematic Design Drawings described in Section 2.2.

2.2 **TI Schematic Design Drawings and TI Design Development Drawings.** Within the time periods set forth in Schedule 2, Tenant shall complete its one hundred percent (100%) complete set of industry standard schematic design drawings for the Tenant Improvements, which shall be a natural and logical extension of the TI Conceptual Design Drawings (the "**TI Schematic Design Drawings**") and shall submit the same to Landlord for Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed, provided that the TI Schematic Design Drawings are a natural and logical extension of the TI Conceptual Design Drawings. The TI Schematic Design Drawings shall include a complete listing of standard and non-standard equipment and specifications, including, without limitation, to the extent applicable B.T.U. calculations, electrical requirements and special electrical receptacle requirements. Following Landlord's approval (or deemed approval) of the TI Schematic Design Drawings, and subject to the time periods set forth in Schedule 2, Tenant shall complete the one hundred percent (100%) complete set of design development drawings for the Tenant Improvements based upon the Construction Drawings then previously approved by Landlord (the "**TI Design Development Drawings**") and shall submit the same to Landlord for Tenant's approval, which approval shall not be unreasonably withheld, conditioned or delayed. The TI Schematic Design Drawings and the TI Design Development Drawings are collectively, the "**TI Design Drawings**". Landlord shall advise Tenant within ten (10) business days after Landlord's receipt of any TI Design Development Drawings or any revisions thereto if the same are approved or disapproved. Landlord's failure to disapprove the TI Design Development Drawings or any revisions thereto by written notice to Tenant (which notice shall specify in detail the reasonable reasons for Landlord's disapproval) within said ten (10) business day period (and following expiration of an additional five (5) business day notice and cure period) shall be deemed to constitute Landlord's approval of the TI Design Development Drawings or revisions thereto.

2.3 **TI Construction Drawings.** Tenant shall retain the Architect and various consultants and engineers (the "**Consultants**") to prepare the Construction Drawings in accordance with the requirements of this Tenant Work Letter (collectively, "**Tenant's Agents**"). Tenant's Agents must be reasonably approved in advance in writing by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall be responsible for timely paying all fees due and owing to Tenant's Agents, provided that Tenant may, subject to any limitations set forth in Section 3.1 below, submit such fees to Landlord for reimbursement from the Tenant Improvement Allowance to the extent funds are available following Substantial Completion (as defined below) of the Tenant Improvements. Promptly after the Substantial Completion of the Tenant Improvements, Tenant shall have prepared and delivered to Landlord via e-mail or other electronic delivery method reasonably approved by such other party a copy in both .pdf and CAD format of the "record set" plans and specifications (including all working drawings) for the Tenant Improvements.

2.4 **Approved Working Drawings; Permits.** The Construction Drawings as approved by Landlord and Tenant shall be referred to herein as the "**Approved Working Drawings**". Landlord shall promptly submit the Approved Working Drawings to the appropriate municipal authorities for plan check and diligently pursue approval thereof in order to allow building permits and approvals for the Tenant Improvements (the "**Permits**") to be obtained. Tenant shall use commercially reasonable efforts to cooperate with Landlord and the architect, and engineers to complete all phases of the Construction Drawings and obtain all necessary Permits in accordance with the time periods and schedule set forth on Schedule 2. Landlord's approval is not required for changes to the Approved Working Drawings required to comply with Applicable Laws or non-material field substitutions.

2.5 **Tenant Change Orders.** In the event Tenant desires to make a change to the Approved Working Drawings (a "**Tenant Improvement Change**"), Tenant shall deliver notice (the "**Drawing Change Notice**") of the same to Landlord, setting forth in detail the Tenant Improvement Change that Tenant desires to make to the Approved Working Drawings. Landlord shall approve or disapprove the Tenant Improvement Change within five (5) business days of receipt of a Drawing Change Notice (unless additional time is reasonably required due to the nature of the Tenant Improvement Change, in which event Landlord shall inform Tenant, within such five (5)-business day period, of the need for additional time, and Landlord shall thereafter advise Tenant within ten (10) business days after Landlord's receipt of any Drawing Change Notice if the Tenant Improvement Change is approved or reasonably disapproved). If the Tenant Improvement Change is disapproved, the

notice of disapproval shall describe with reasonable specificity the basis for such disapproval and the changes that would be necessary to resolve Landlord's objections. Furthermore, if the Tenant Improvement Change is disapproved and Tenant still wants to proceed with the Tenant Improvement Change, then Tenant shall, within five (5) business days of Tenant's receipt of Landlord's notice thereof, revise and resubmit the Drawing Change Notice to Landlord (unless additional time is reasonably required due to the nature of the revisions, in which event Tenant shall inform Landlord, within such five (5)-business day period, of the need for additional time, and Tenant shall thereafter revise and resubmit the Tenant Improvement Change to Landlord within ten (10) business days after Tenant's receipt of Landlord's notice thereof). The foregoing process shall be repeated until the Tenant Improvement Change request has been approved by Landlord or withdrawn by Tenant. If Landlord approves of any Tenant Improvement Change, Landlord shall provide Tenant with the estimated total increased cost of constructing the Tenant Improvements resulting from such Tenant Improvement Change (including, but not limited to, construction costs, applicable permit costs and the additional Coordination Fee, as defined below, if any), the estimated total cost of the Tenant Improvements with such Tenant Improvement Change, and the estimated number of days of Tenant Delay (as defined in Section 6.2 below) resulting from such Tenant Improvement Change. Tenant shall notify Landlord within five (5) business days following receipt of the foregoing information from Landlord whether or not Tenant desires to implement the applicable Tenant Improvement Change. Except as expressly set forth herein, any Tenant Improvement Changes approved by Landlord pursuant to the terms hereof shall otherwise be treated as Tenant Improvements for purposes of the Lease and this Tenant Work Letter.

### SECTION 3

#### COSTS OF CONSTRUCTING TENANT IMPROVEMENTS

3.1 **Improvement Allowance.** Notwithstanding anything to the contrary contained in the Lease or this Work Letter, the total costs and expenses incurred by Landlord in connection with the design and construction of the Tenant Improvements (inclusive of, but not limited to, engineering costs, general contractor costs, and the cost of all local and state filing fees, permits and approvals, if any, required to be obtained in order to perform and complete the Tenant Improvements) shall not exceed an aggregate amount equal to \$16,049,750.00 (the "**Improvement Allowance**"). Any portion of the Improvement Allowance that is not utilized within eighteen (18) months after the Lease Commencement Date (the "**Allowance Deadline**") shall remain with Landlord and Tenant shall have no rights thereto. Following the final Cost Proposal Approval Date, Landlord shall determine the amount (the "**Over-Allowance Amount**") equal to the difference, if any, between the amount of the Final Costs and the amount of the Tenant Improvement Allowance (less any portion thereof already disbursed by Landlord, or in the process of being disbursed by Landlord, on or before the commencement of construction of the Tenant Improvements). Tenant shall be responsible to make payments in connection with each disbursement (for this purpose, "disbursement" means the amount to be disbursed from the Tenant Improvement Allowance plus the amount to be paid by Tenant) under this Tenant Work Letter (the "**Over-Allowance Payments**"), in an amount equal to the percentage of such disbursement obtained by dividing the Over-Allowance Amount by the amount of the Final Costs and multiplying such quotient by the total amount of the disbursement request, which Over-Allowance Payments shall be paid by Tenant within thirty (30) days after Tenant's receipt of the invoice and reasonable backup documentation in connection therewith and such Over-Allowance Payment by Tenant shall be a condition to Landlord's obligation to pay any further amounts of the Tenant Improvement Allowance. Landlord shall not require Over-Allowance Payments to be made more than once per calendar month. In no event shall the percentage of total Tenant Improvement Allowance funds disbursed or the Over-Allowance Payments made by Tenant exceed the percentage of work completed as shown on the Contractor's payment application for which the disbursement is being made. In the event that the total costs relating to the construction of the Tenant Improvements shall exceed the estimated amount set forth in the Final Costs, the Over-Allowance Payments shall be recalculated to account for such excess. Tenant hereby acknowledges that Landlord shall be entitled to a fee (the "**Coordination Fee**") payable by Tenant in an amount equal to two and one-half percent (2.5%) of the total costs of the Tenant Improvements, in consideration for Landlord's coordination and supervision of the performance of the Tenant Improvements, which Coordination Fee may be deducted from the Improvement Allowance to the extent funds are available. Notwithstanding any provision to the contrary contained in the Lease or this Work Letter, in no event shall Landlord be obligated to pay for (A) any moving costs or expenses related to Tenant's move-in or occupancy of the Premises, and/or (B) any costs or expenses associated with the purchase, installation or maintenance of any furniture (including, but not limited to, the cost of any reception desks, credenzas or chairs,

whether identified on the Approved Pricing Plan or not), fixtures, equipment, art, cabling, audio/visual equipment, telecommunications systems, access controls, security systems and equipment, and/or signage related to Tenant's occupancy of the Premises (collectively, "**Tenant's FF&E**"). If the total costs of the Tenant Improvements do not exceed the Improvement Allowance, any remaining funds upon completion of the Tenant Improvements in accordance with the Approved Working Drawings shall be the sole and separate property of Landlord and Tenant shall have no right or claim thereto. To the extent not already paid by Landlord, Tenant shall also be entitled to [\*\*\*] (the "**Space Planning Allowance**") in the amount of [\*\*\*] toward costs incurred for [\*\*\*]. Tenant shall be solely responsible for all such excess costs which are over and above the Space Planning Allowance, in which Tenant shall pay Landlord for such excess within thirty (30) days after demand is made therefor by Landlord from time to time.

3.2 **Allocation of Costs.** Except as set forth in Section 3.1 above and this Section 3.2 below, Tenant shall be solely responsible for the costs of constructing the Tenant Improvements in excess of the Improvement Allowance. Tenant shall allocate a portion of the Tenant Improvement Allowance in an amount equal to One Million and 00/100 Dollars (\$1,000,000.00) in connection with the improvements to new outdoor amenity area.

3.3 **Cost Proposal.** Promptly after the completion of the Approved Working Drawings, Landlord shall provide Tenant with a cost proposal, which cost proposal (the "**Cost Proposal**") shall include a detailed breakdown, by trade, of the total cost of Tenant Improvements (the "**Final Costs**"). Tenant shall deliver its written approval or disapproval of the Cost Proposal to Landlord within ten (10) business days of the receipt of the same. Upon Landlord's receipt of Tenant's approval and delivery Tenant's "notice to proceed" in connection therewith, if applicable (such date that Tenant approves and delivers "notice to proceed" to Landlord shall be referred to herein as the "**Cost Proposal Approval Date**"), Landlord shall be released by Tenant to purchase the items set forth in the approved Cost Proposal and to commence the construction of the Tenant Improvements. In the event the Cost Proposal aggregate amount (the "**Cost Proposal Cost**") exceeds the Tenant Improvement Allowance, Tenant shall have the one-time right to request value-engineering changes to the Cost Proposal by providing Landlord with written notice thereof within ten (10) business days following Tenant's receipt of the Cost Proposal from Landlord ("**Value-Engineering Notice**"). If Landlord receives a Value-Engineering Notice from Tenant, then Landlord shall reasonably cooperate with Tenant to allow Tenant to work with Landlord and the Contractor in order to value engineer the Tenant Improvements to minimize any Over-Allowance Amount; provided that any delay in the Substantial Completion of the Tenant Improvements resulting from Tenant's failure to approve the Cost Proposal and deliver the Cost Proposal to Landlord (including Tenant's "notice to proceed" in connection therewith), or complete such value engineering process, within thirty (30) days following Tenant's receipt of the original Cost Proposal from Landlord shall be deemed a Tenant Delay to the extent that it results in actual delay to the substantial completion of the Tenant Improvements. Landlord and Tenant acknowledge and agree that the Cost Proposal is not binding and may not include the entire cost to construct the Tenant Improvements; provided, however, that Landlord shall (i) use commercially reasonable efforts to enforce the terms of the Contract and to enforce any subsequent change order related to the Tenant Improvements and approved by the Contractor and (ii) notify Tenant promptly if the estimated Final Costs are expected to exceed the Cost Proposal.

3.4 **Bidding Requirements.** Except as otherwise expressly set forth below, Landlord shall require Contractor to obtain bids from at least three (3) qualified, experienced subcontractors per major trade, selected from a list approved by Landlord ("**Landlord's Bidding Subcontractors**") and Tenant may request that specific qualified subcontractors be included. If Tenant reasonably disapproves of any proposed subcontractor, Tenant shall notify Landlord in writing within five (5) business days of receiving the list. All subcontractor bids shall be submitted to Landlord, who shall prepare a reconciliation normalizing any inconsistencies to permit like-kind comparison. The lowest qualified bidder that commits to schedule requirements shall be selected. Tenant shall have access to all books, records, and supporting documentation related to the Tenant Improvements (collectively, "**Records**") during construction and for one (1) year following Substantial Completion. Tenant shall, within five (5) business days following delivery of (i) all qualified bids which Landlord intends to obtain for a particular trade (which shall at a minimum be three (3) bids), (ii) Landlord's bid reconciliation, (iii) Landlord's recommendations as to which bidders should be selected, notify Landlord of its selection; failure to do so shall be deemed a Tenant Delay.

#### **SECTION 4**

##### **CONTRACTOR'S WARRANTIES AND GUARANTIES**

Landlord hereby assigns to Tenant all warranties and guaranties by the Contractor relating to the Tenant Improvements, and Landlord shall execute any additional documents necessary to effectuate the same.

#### **SECTION 5**

##### **TENANT'S AGENTS**

Tenant hereby protects, defends, indemnifies and holds Landlord harmless for any loss, claims, damages or delays arising from the actions of any space planner, architect, vendor, contractor, subcontractor or consultant engaged by Tenant with respect to the Premises, if any.

#### **SECTION 6**

##### **SUBSTANTIAL COMPLETION OF THE TENANT IMPROVEMENTS**

6.1 **Substantial Completion of the Tenant Improvements**. For purposes of this Work Letter and the Lease, "**Substantial Completion**" of the Tenant Improvements shall occur upon the completion of construction of the Tenant Improvements in accordance with the Approved Working Drawings and issuance of a certificate of occupancy (or equivalent thereto), with the exception of any punch list items and any tenant fixtures, work-stations, built-in furniture, or equipment to be installed by Tenant. "Punch list" items are limited to minor and insubstantial defects in the Tenant Improvements that do not prohibit Tenant's occupancy or unreasonably interfere with Tenant's use of the Premises for the Permitted Use.

6.2 **Delay of the Substantial Completion of the Tenant Improvements**. Except as provided in this Section 6.2, the Lease Commencement Date shall occur as set forth in the Lease. If there shall be any actual delay(s) in the Substantial Completion of the Tenant Improvements as a direct, indirect, partial, or total result of any of the following (each, a "**Tenant Delay**"), then, notwithstanding anything to the contrary set forth in the Lease or this Work Letter and regardless of the actual date of the Substantial Completion of the Tenant Improvements, the Substantial Completion of the Tenant Improvements shall be deemed to be the date the Substantial Completion of the Tenant Improvements would have occurred if no such Tenant Delay(s) had occurred:

6.2.1 Tenant's failure to timely approve any matter requiring Tenant's approval;

6.2.2 A breach by Tenant of the terms of this Work Letter or the Lease;

6.2.3 Any Tenant Improvement Change (provided that Landlord notifies Tenant of the amount of resulting delay at the time such Tenant Improvement Change is approved);

6.2.4 Tenant's requirement for materials, components, finishes or improvements to the extent that the time period to receive such requested items exceeds the time period to receive the Landlord's Building standard version thereof and Tenant is notified of such extra time period at the time Tenant requests or requires such materials, components, finishes or improvements;

6.2.5 Any failure by Tenant to timely pay any amounts required to be paid by Tenant pursuant to the terms of this Work Letter; or

6.2.6 Tenant's construction of the Bridge or pulling of any construction permit relating to the Bridge.

Landlord shall promptly deliver to Tenant reasonably detailed, written notice of such purported Tenant Delay in order to invoke Tenant Delay.

## SECTION 7

### MISCELLANEOUS

7.1 **Tenant's Entry into the Premises Prior to Substantial Completion**. Notwithstanding anything to the contrary set forth in the Lease, provided that Tenant and its agents do not interfere with the construction of the Tenant Improvements, from and after the Effective Date, Tenant and Tenant's Agents shall have the right to access to the Premises for the purpose of preparing the Construction Drawings, installing Tenant's FF&E (including Tenant's data and telephone equipment) and personal property in the Premises and to perform any other work as may be required to prepare the Premises for Tenant's occupancy; provided that such early access shall not be provided until such time that Landlord has reasonably determined that the condition of the Premises is safe for entry by Tenant and its vendors and that Tenant's activities will not materially interfere with the construction of the Tenant Improvements. Tenant shall have no obligation to pay Base Rent or Additional Rent in connection with Tenant's early access to the Premises pursuant to this Section 7.1. Prior to Tenant's entry into the Premises as permitted by the terms of this Section 7.1, Tenant shall deliver to Landlord the policies or certificates evidencing Tenant's insurance as required under the terms of Section 10.3 of the Lease. Tenant's indemnity set forth in Section 10.1 of the Lease shall apply during any such period of early entry by Tenant.

7.2 **Tenant's Representative**. Tenant has designated Samsheer Ahamad ([\*\*\*]; [\*\*\*]) as its sole representative with respect to the matters set forth in this Work Letter, who, until further notice to Landlord, shall have full authority and responsibility to act on behalf of the Tenant as required in this Work Letter.

7.3 **Landlord's Representative**. Within five (5) days of the Effective Date, Landlord shall designate, by delivering written notice thereof to Tenant, a representative to act as its sole representative with respect to the matters set forth in this Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Work Letter.

7.4 **Tenant's Agents**. Tenant shall not use (and upon notice from Landlord shall cease using) contractors, services, workmen, labor, materials or equipment that, in Landlord's reasonable judgment, would disturb labor harmony with the workforce or trades engaged in performing other work, labor or services at the Project.

7.5 **Time is of the Essence**. Time is of the essence under this Work Letter. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. In all instances where Tenant is required to approve or deliver an item, if no written notice of approval is given or the item is not delivered within the stated time period, Landlord may elect, at its sole option and without limiting any other right or remedies of Landlord under the Lease, to either (i) deem such item automatically approved or delivered by Tenant at the end of the stated time period, after which any succeeding time period shall then commence, or (ii) treat such failure as a Tenant Delay.

7.6 **Tenant's Default**. Notwithstanding any provision to the contrary contained in the Lease or this Work Letter, if any default by Tenant under the Lease or this Work Letter shall occur (including, without limitation, any failure by Tenant to timely fund any costs which are Tenant's responsibility hereunder) and continue beyond all applicable notice and cure periods, then, in addition to all other rights and remedies granted to Landlord pursuant to the Lease, Landlord may, without any liability whatsoever, cause the cessation of construction of the Tenant Improvements (in which case, Tenant shall be responsible for any delay in the completion of the Tenant Improvements and any costs occasioned thereby) during the continuation of any such default.

7.7 **Electronic Notice and Approvals**. Notwithstanding any provision to the contrary contained in the Lease or this Work Letter, Landlord and Tenant may transmit or otherwise deliver any of the notices and/or approvals required under this Work Letter via electronic mail to Tenant's and Landlord's respective representatives identified in Sections 7.2 and 7.3 of this Work Letter. The foregoing shall not preclude either party from sending any notices or approvals by any of the other means identified under the "Notices" provision of the Lease.

**SCHEDULE 1 TO EXHIBIT B**  
**SPACE PLAN**

**SCHEDULE 2 TO EXHIBIT B**

**TIME DEADLINES**

**Dates**

**Actions to be Performed**

3/27/2026	Tenant to have retained Architect
4/3/2026	TI Conceptual Design Drawings to be completed by Tenant and delivered to Landlord.
4/17/2026	TI Schematic Design Drawings to be completed by Tenant and delivered to Landlord.
5/15/2026	TI Design Development Drawings to be completed by Tenant and delivered to Landlord.
6/13/2026	Tenant to cause the Tenant Improvement Permits to be ready to issue to Contractor.
7/13/2026	Complete Cost Proposal Cost Submitted to Tenant
7/24/2026	Tenant Cost Proposal Approval Date

**SCHEDULE 3 TO EXHIBIT B**  
**CONSTRUCTION SCHEDULE**

**EXHIBIT C**  
**NOTICE OF LEASE TERM DATES**

**EXHIBIT D**  
**RULES AND REGULATIONS**

**EXHIBIT E**  
**FORM OF TENANT'S ESTOPPEL CERTIFICATE**

## EXHIBIT F

### EXTENSION OPTION(S)

1. **Option Right.** Landlord hereby grants to Tenant two (2) options (each, an "**Extension Option**") to extend the Lease Term for the Option Terms. Upon the proper exercise of any Extension Option in accordance with the provisions of this **Exhibit F**, the Lease Term shall be extended for the Option Term(s).

2. **Option Rent.** The Rent payable by Tenant during the Option Term (the "**Option Rent**") shall be equal to the Market Rent (as defined below), as determined on a net effective basis from an analysis of the Comparable Transactions (as defined below). The "**Market Rent**" shall be equal to the then-prevailing annual rent per rentable square foot, at which tenants, are, pursuant to transactions consummated within twelve (12) months prior to the commencement of the Option Term, leasing non-sublease, non-encumbered space comparable in location and quality to the Premises containing a rentable square footage comparable to that of the Premises for a term comparable to the Option Term, in an arm's-length transaction, which comparable space is located in the Project or in Comparable Buildings (transactions satisfying the foregoing criteria shall be known as the "**Comparable Transactions**"). In the interest of clarity, in no event shall Comparable Transactions or the Market Rent take into consideration the value of the Tenant Improvements. The terms of the Comparable Transactions shall take into consideration only the following terms and concessions: (i) the rental rate and escalations, (ii) the amount of parking rent per parking pass paid, if any, (iii) operating expense and tax protection granted, such as a base year or expense stop, but the base rent for each Comparable Transaction shall be adjusted to a triple net base rent using reasonable estimates of operating expenses and taxes as determined by Landlord for each such Comparable Transaction; (iv) rental abatement concessions, if any, being granted such tenants, (v) any Renewal Allowance (as defined below), to be provided by Landlord in connection with the Option Term as compared to the Tenant Improvements or allowances provided or to be provided in the Comparable Transactions, taking into account the contributory value of the existing improvements in the Premises, such value to be based upon the age, design, quality of finishes, and layout of the existing improvements, and (vi) all other monetary concessions, if any, being granted such tenants in connection with such Comparable Transactions. Notwithstanding any contrary provision hereof, in determining the Market Rent, no consideration shall be given to any period of rental abatement, if any, granted to tenants in Comparable Transactions in connection with the design, permitting and construction of improvements nor shall any consideration be given to the existing value of the improvements in the Premises (including, without limitation the Tenant Improvements).

2.1 **Comparable Buildings.** The term "**Comparable Buildings**" shall mean multi-tenant or single-tenant occupancy office and research and development buildings which are comparable to the Project in terms of age (based upon the date of completion of construction or major renovation), quality of construction, and size and are located in Santa Clara, California.

2.2 **Adjustments to Market Rent.** The Market Rent in Comparable Transactions, when compared to the Market Rent for the Premises, shall be adjusted for the following factors (to the extent such factors normally affect the rent received by the landlord of the Comparable Buildings) to reflect the existence or non-existence of such factors: (i) the stated size of the Premises based upon the standards of measurement to be utilized during the Option Term, as compared to the standards of measurement utilized during the Comparable Transactions; (ii) any changes in the Market Rent following the date of any particular Comparable Transaction up to the date of the commencement of the applicable Option Term; (iii) rights granted to Tenant for exterior signage and advertising, rooftop usage, and exclusive use of site improvements as compared to such rights, if any, granted to the tenants in Comparable Transactions; and (iv) the differences between the Buildings and the Comparable Buildings in terms of: exterior amenity areas; and amount and type of parking available.

2.4 **Renewal Allowance.** Notwithstanding anything to the contrary set forth in this **Exhibit F**, once the Market Rent for the Option Term is determined, if, in connection with such determination, it is deemed that Tenant is entitled to an improvement or comparable allowance for the improvement of the Premises, (the total dollar value of such allowance shall be referred to herein as the "**Renewal Allowance**"), Landlord shall pay the Renewal Allowance to Tenant pursuant to a commercially reasonable disbursement procedure determined by Landlord and the terms of **Article 8** of this Lease, and the rental rate component of the Market Rent shall be increased to be a rental rate which takes into consideration that Tenant will receive payment of such Renewal Allowance and, accordingly, such payment with interest shall be factored into the base rent component of the Market Rent.

3. **Exercise of Extension Option.** The Extension Option(s) shall be exercised by Tenant, if at all, only in the following manner. Tenant shall deliver written notice (the "**Exercise Notice**") to Landlord not more than eighteen (18) months nor less than twelve (12) months prior to the then-scheduled expiration of the Lease Term, stating that Tenant is irrevocably exercising the applicable Extension Option. Within thirty (30) days after delivery of such Exercise Notice, Landlord shall deliver to Tenant Landlord's calculation of the Option Rent ("**Landlord Response Notice**"). Tenant shall deliver written notice to Landlord within thirty (30) days after receipt of the Landlord Response Notice, stating that Tenant is (i) accepting Landlord's Option Rent Calculation, or (ii) rejecting Landlord's Option Rent Calculation and setting forth Tenant's calculation of the Option Rent (the "**Tenant's Option Rent Calculation**"). Within ten (10) business days of its receipt of the Tenant's Option Rent Calculation, Landlord may, at its option, accept or reject the Option Rent contained in the Tenant's Option Rent Calculation. If Landlord does not affirmatively reject the Option Rent specified in the Tenant's Option Rent Calculation in writing within such ten (10) business day period, Landlord shall be deemed to have rejected Tenant's Option Rent Calculation as the Option Rent for the Option Term. However, if Landlord affirmatively rejects, or is deemed to have rejected, Tenant's Option Rent Calculation in writing within such time period, then the Option Rent shall be determined in accordance with the procedures and terms set forth in Section 4 below.

4. **Determination of Market Rent.** In the event Landlord validly rejects Tenant's Option Rent Calculation, then Landlord and Tenant shall attempt to agree upon the Option Rent using good-faith efforts; provided, however, if they fail to reach agreement upon the Option Rent on or before the date that is ninety (90) days prior to the then-scheduled expiration of the Lease Term (the "**Outside Agreement Date**"), then each party shall make a separate, binding, determination of the Option Rent (each, a "**Submitted Option Rent**"), within ten (10) business days following the Outside Agreement Date, and such Submitted Option Rents shall be submitted to arbitration as described below. The failure of Tenant or Landlord to submit a Submitted Option Rent within such ten (10) business day period shall conclusively be deemed to be such party's approval of the Submitted Option Rent submitted by the other party.

4.1 **Neutral Arbitrator.** Within fifteen (15) days after the Outside Agreement Date Landlord and Tenant shall agree upon and appoint one arbitrator who shall by profession be an MAI appraiser, real estate broker, or real estate lawyer (a "**Neutral Arbitrator**") who shall have been active over the five (5) year period ending on the date of such appointment in the appraising and/or leasing of Comparable Buildings, and (i) neither the Landlord or Tenant may, directly, or indirectly, consult with the Neutral Arbitrator prior or subsequent to his or her appearance, (ii) the Neutral Arbitrator cannot be someone who has represented Landlord and/or Tenant during the five (5) year period prior to such appointment, and (iii) each party may require the Neutral Arbitrator to demonstrate to the reasonable satisfaction of the parties that the Neutral Arbitrator has no conflicts of interest with either Landlord or Tenant.

4.2 **Arbitration Agreement.** The Neutral Arbitrator shall be retained via an arbitration agreement (the "**Arbitration Agreement**") jointly prepared by Landlord's counsel and Tenant's counsel, which Arbitration Agreement shall set forth the following: (i) an agreement by the Neutral Arbitrator to undertake the arbitration and render a decision in accordance with the TCCs of this Lease, as modified by the Arbitration Agreement; (ii) rights for Landlord and Tenant to submit to the Neutral Arbitrator (with a copy to the other party), on or before the date that occurs fifteen (15) days following the appointment of the Neutral Arbitrator, an advocate statement (and any other information such party deems relevant) prepared by or on behalf of Landlord or Tenant, as the case may be, in support of Landlord's or Tenant's respective determination of Market Rent (the "**Briefs**"); (iii) rights for each party to provide the Neutral Arbitrator (with a copy to the other party), within five (5) days of submittal of Briefs with a written rebuttal to the other party's Brief (the "**Rebuttals**"); provided, however, such Rebuttals shall be limited to the facts and arguments raised in the other party's Brief and shall identify clearly which argument or fact of the other party's Brief is intended to be rebutted; (iv) the date, time and location of the arbitration, which shall be mutually and reasonably agreed upon by Landlord and Tenant, which date shall in any event be within forty-five (45) days following the appointment of the Neutral Arbitrator; (v) that no discovery or independent investigation shall take place in connection with the arbitration, other than to verify the factual information that is presented by Landlord or Tenant, and the Neutral Arbitrator shall be permitted to visit the Project and the buildings containing the Comparable Transactions; and (vi) rights for each party to present oral arguments to the Neutral Arbitrator at the arbitration for a period of time not to exceed three (3) hours and up to two (2) additional hours to present additional arguments and/or to rebut the arguments of the other party.

4.3 **Neutral Arbitrator Ruling.** Not later than ten (10) days after the date of the arbitration, the Neutral Arbitrator shall render a decision (the "**Ruling**") indicating whether Landlord's or Tenant's Submitted Option Rent is closer to

the actual Market Rent. The Submitted Option Rent that is determined by the Neutral Arbitrator to be closer to the actual Market Rent shall then become the applicable Option Rent. The Ruling shall be binding on Landlord and Tenant. In the event that the Option Rent has not been determined pursuant to the terms hereof (or otherwise by written agreement between Landlord and Tenant) prior to the commencement of the Option Term, then upon the commencement of the Option Term, Tenant shall be required to pay the greater of (i) the Rent then in effect for the Premises (immediately prior to the commencement of the Option Term), or (ii) Tenant's Submitted Option Rent, until such time that the Ruling is rendered. In such event, once the Ruling has been rendered it shall be effective retroactively to the commencement of the Option Term, and the payments made by Tenant that are applicable to the Option Term shall be reconciled with the actual amounts due (based on the Ruling), and the appropriate party shall make any corresponding payment to the other party within thirty (30) calendar days after the Ruling is rendered.

5. **Termination of Extension Option.** Notwithstanding anything to the contrary herein, Tenant shall not have the right to exercise the Extension Option if Tenant is then in default under this Lease continuing beyond expiration of all notice and cure periods. In addition, and notwithstanding anything to the contrary herein, Tenant's Extension Option shall terminate upon the earliest to occur of (i) Tenant's waiver or failure to timely exercise any Extension Option, (ii) the occurrence of the second (2<sup>nd</sup>) monetary event of default in the twelve (12) month period preceding exercise of the Extension Option.

**EXHIBIT G**  
**HAZARDOUS MATERIALS**

**EXHIBIT H**

**DEPICTION OF TENANT'S NAME/LOGO**

**EXHIBIT I**  
**LIST OF QUALIFICATIONS OF SERVICE PROVIDERS AND AGREEMENTS**

**EXHIBIT J**  
**INTENTIONALLY DELETED**

**EXHIBIT K**

**POWER UPGRADES**

1. **Tenant's Upgrade.** Tenant shall have the right to upgrade and improve the power infrastructure serving the Project and increase the capacity and power available for use at the Buildings which, may include, without limitation, securing capacity or power from the local power company, installation of one or more additional transformers, panels, subpanels, switchboards, lines, conduits, and related equipment (collectively, the "**Power Upgrades**"). Tenant shall be responsible for coordinating directly with SVP regarding the Power Upgrade, including all applications, engineering, permitting, and construction required by SVP. Any work relating to a Power Upgrade shall be performed by Tenant as an Alteration in accordance with the terms of Article 8 of this Lease.
2. **Power Upgrade Application and Power Upgrade Allowance.** Subject to the terms and conditions of this **Exhibit K**, provided that Tenant files the appropriate application(s) with SVP to obtain a 4,000 amp service upgrade as the Power Upgrades. Landlord shall reimburse Tenant for up to \$1,300,000.00 (the "**Power Upgrade Allowance**") of the costs of the Power Upgrades, subject to the terms hereof. Any costs of the Power Upgrades in excess of the Power Upgrade Allowance, and any costs of on-site power generation facilities such as bloom boxes and solar power, shall be paid for by Tenant, at Tenant's sole cost.
3. **Scope of Reimbursement.** If Tenant is successful in obtaining the 4,000 amp service upgrades, then Landlord shall disburse the entire Power Upgrade Allowance to Tenant. However, if Tenant is not successful in obtaining the full 4,000 am service upgrade, then Landlord shall reimburse Tenant's third-party, actual out-of-pocket costs to obtain the Power Upgrade, not to exceed the Power Upgrade Allowance, including costs of transformer installation, engineering, design, or construction performed by or on behalf of SVP, substation agreement costs, other fees, charges, or assessments imposed by SVP or any governmental authority in connection with the Power Upgrade. However, the Power Upgrade Allowance shall not be available for Tenant's own costs for electrical work within the Premises or for costs of constructing the Tenant Improvements. Any portion of the Power Upgrade Allowance not utilized by the Allowance Deadline shall remain with Landlord and Tenant shall have no rights thereto.
4. **Reimbursement Procedure.** The Power Upgrade Allowance shall be disbursed by Landlord to Tenant within thirty (30) days following Tenant's written request, accompanied by either (i) reasonable evidence that Tenant has successfully obtained the 4,000 am service upgrade or (ii) a copy of applicable invoice or fee statements reflecting the amounts for which Tenant is requesting reimbursement, together with (a) evidence of Tenant's payment thereof and (b) any other information reasonably requested by Landlord and reasonably required to substantiate the reimbursement.

**LEASE**

3250 JAY STREET OWNER LLC,  
a Delaware limited liability company  
as Landlord,  
and  
SITIME CORPORATION  
a Delaware corporation,  
as Tenant.

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TENANT PARKING	
ARTICLE 29	-38-
MISCELLANEOUS PROVISIONS	

EXHIBIT A	OUTLINE OF PREMISES
EXHIBIT B	WORK LETTER
EXHIBIT C	NOTICE OF LEASE TERM DATES
EXHIBIT D	RULES AND REGULATIONS
EXHIBIT E	FORM OF TENANT'S ESTOPPEL CERTIFICATE
EXHIBIT F	EXTENSION OPTION(S)
EXHIBIT G	HAZARDOUS MATERIALS
EXHIBIT H	DEPICTION OF TENANT'S NAME/LOGO
EXHIBIT I	LIST OF QUALIFICATIONS OF SERVICE PROVIDERS AND AGREEMENTS
EXHIBIT J	INTENTIONALLY DELETED
EXHIBIT K	POWER UPGRADES



CONFIDENTIAL/PERSONAL

Rajesh Vashist Zekeringstraat 21

Amsterdam, 1014 BM

March 18, 2026

**RE: Extension of temporary assignment to SiTime Netherlands, B.V.**

Dear Rajesh Vashist:

Kindly be informed that your assignment to SiTime Netherlands, B.V., in Delft, the Netherlands, ending on December 31, 2025, will be extended.

Subject to your ability to reside and work in the Netherlands (i.e., you are in possession of the necessary residence and work permit), your transfer to SiTime Netherlands, B.V. shall be extended from December 31, 2025 to December 31, 2026.

All details in your original agreement will remain in place, this letter is only to extend your assignment date to December 31, 2026.

I remain available to answer any questions you may have regarding the content of this letter.

Sincerely,

/s/ Elizabeth A. Howe

Elizabeth A. Howe  
Executive Vice President,  
Finance & Chief Financial Officer

**Certification Pursuant to Rule 13a-14(a) and Rule 15d-14(a)  
of the Securities Exchange Act of 1934**

I, Rajesh Vashist, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of SiTime Corporation.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2026

/s/ Rajesh Vashist

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**Rajesh Vashist**  
**Chief Executive Officer**

**Certification Pursuant to Rule 13a-14(a) and Rule 15d-14(a)  
of the Securities Exchange Act of 1934**

I, Elizabeth A. Howe, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of SiTime Corporation.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2026

/s/ Elizabeth A. Howe

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**Elizabeth A. Howe**  
**Executive Vice President, Chief Financial Officer**

**CERTIFICATION PURSUANT TO 18 USC SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of SiTime Corporation. (the "Company") on Form 10-Q for the period ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2026

/s/ Rajesh Vashist

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**Rajesh Vashist**  
**Chief Executive Officer**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of SiTime Corporation. (the "Company") on Form 10-Q for the period ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2026

/s/ Elizabeth A. Howe

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**Elizabeth A. Howe**  
**Executive Vice President, Chief Financial Officer**